

SCHOOL DISTRICT
OF
TOWNSHIP OF MAURICE RIVER

COMPREHENSIVE ANNUAL
Financial Report

of the

Township of Maurice River Board of Education

Port Elizabeth, New Jersey

or the Fiscal Year Ended June 30, 2012

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

Township of Maurice River Board of Education

Port Elizabeth, New Jersey

For the Fiscal Year Ended June 30, 2012

Prepared by

Maurice River Township Board of Education

Finance Department

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OF THE MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION



MAURICE RIVER TOWNSHIP SCHOOL DISTRICT

PO DRAWER D, 3593 SOUTH DELSEA DRIVE • PORT ELIZABETH, NEW JERSEY 08348
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September 21, 2012

Honorable President and
Members of the Board of Education
Maurice River Township School District
Cumberland County, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Maurice River Township Public School District for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments," and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Maurice River Township Public School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The Maurice River Township Board of Education and its school constitute the District's reporting entity.

The District is limited in its ability to fund a full range of educational services appropriate to grade levels PK through 8. These limitations in programs and services apply to both regular as well as special education for handicapped children. The District completed the 2011-2012 fiscal year with a June enrollment of 393 students, which is 21 students more than the previous year. The following details the changes in the student enrollment of the district over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-12	393.4	5.72%
2010-11	372.1	(3.97%)
2009-10	387.5	(2.64%)
2008-09	398.0	.63%
2007-08	395.5	.79%
2006-07	392.4	(3.35)%
2005-06	410.8	0.17%
2004-05	410.1	(4.43)%
2003-04	429.1	(1.74)%
2002-03	436.7	(3.34)%

2. ECONOMIC CONDITION AND OUTLOOK:

Maurice River Township is not experiencing any measurable growth or decline in development or expansion. There are no large businesses located in the Township, but the small cottage industry stores, restaurants, and antique stores continue to thrive. There is some potential for growth at the major intersections drawing traffic to the shore areas. The Township is seeking clean industry in harmony with the environmentally sensitive areas. It is significant to note that the Township is approximately 95 square miles, with about 50% of the land either state-owned or state-managed. This helps promote the appeal for water related activities, conservation activities with the bay area and pristine river ecosystem, and preserves the ruralness and proviciality unique to the Township. There are three prison sites located in the Township, which provide major employment for local residents. A state prison in nearby Fairfield Township provides employment opportunities at that site. The net valuation taxable of Maurice River Township for 2012 is \$301,213,570, which is higher than the prior year by \$107,746.

Sand mining was a major industry in the Township through the 1970's, but because of the shift from glass bottles to plastic, the need for sand in glass manufacturing has been in steady decline since that time. Rail service connected to this industry has also declined. Other industry includes several marinas, one shipyard industry, and several cottage stores and restaurants. Developers who are interested in sites in the Township must seek state approval from various regulatory agencies, such as Pinelands, Wetlands, and/or the Department of Environmental Protection.

However, the District has been named "Choice" District and will receive additional funding for students who choose to participate in this program. The District is hopeful that it will receive the maximum number permitted by the Department of Education, thereby increasing its enrollment and state aid. The school district receives nearly \$2.00 in state aid for every \$1.00 levied by local taxes.

3. MAJOR INITIATIVES:

Maurice River Township School District continues to prepare all students to be able to be successful at the high school level. Technology, Professional Staff Development, Inter-district Collaboration and N.J. Core Curriculum Content Standards play a major role in this initiative. Technology continues to play an increasingly important role in the curriculum, including the installation of Smartboard Technology for grades K-8 with laptops and professional development training for all teachers, the creation of two state of the art computer labs; installation of a wireless network, and an IPOD Pilot Program. New learning software entitled "Success Maker" has been purchased for grades k-8 to further the achievement of all students. The Read 180 program has also been purchased for grades 6 – 8 to improve reading skills. Students may conduct research through controlled access to the Internet enhancing research and writing skills. In addition to Smartboard Technology, each classroom at the Maurice River Township Elementary School has its own television, VCR and communications system to enhance the curriculum in areas, such as, distance learning, science, geography, and foreign language. The students broadcast daily on the MRT-TV station.

During the 2011-2012 school year, the school district purchased and implemented "The Marzano Teaching Evaluation Method", a web-based teacher evaluation program required by the State of New Jersey.

The District was also fortunate enough to purchase new math, language arts, reading, science and social studies texts and resource materials, for implementation in the 2011-2012 and 2012-2013 school years. New desks and chairs were purchased for grades K through 6 and new computer chairs were purchased for the computer lab as well. A state of the art interior and exterior surveillance system was also installed. The Board of Education has succeeded in allocating resources to positively improve student achievement by focusing upon improvements in the delivery of instruction, professional development programs, and providing the most current instructional materials, technology and other resources for its teachers.

The district provides adequate medical services and student services, including guidance and counseling, programs for at-risk, special education and Title One students, and has a pre-school program. Special education services are provided through self-contained settings, In and Out of class placements and In and Out of class support. The district has trained two staff members in the FAST hands-on science program, for grades five through eight. Grades K-4 use a hands-on program. Peer mediation and conflict resolution are taught through leadership training activities in an on-going manner through the school year.

The Board of Education has established a mission and philosophy for the district and promotes a global, multi-curriculum. The mission includes the concept of community as it relates to students. The Board of Education attempts to plan budgets in a prudent fiscal manner, but the unknown variables are the future of school funding from the State of New Jersey and the payments of tuition to the Millville School District.

The District's "Choice" status has offset the effect of these variables.

In summary, the district, despite economic constraints, has succeeded in providing a state of the art innovative, integrated curriculum, with current technology and resources. The provision of these resources has positively and beneficially impacted student achievement. The district looks forward to continuing its "Choice District" status to increase enrollment and ensure its future existence.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control process is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control process is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

7. DEBT ADMINISTRATION:

On January 1, 1998 the district incurred bond indebtedness for \$2,994,000 for a facility project to be amortized over the next 25 years. The balance in bonds payable at June 30, 2012 is \$1,410,000.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

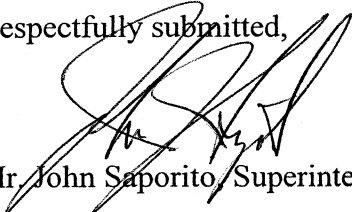
10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Raymond Colavita, CPA, RMA of the accounting firm of Nightlinger, Colavita, and Volpa, P.A., was selected by the Board's Audit Committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

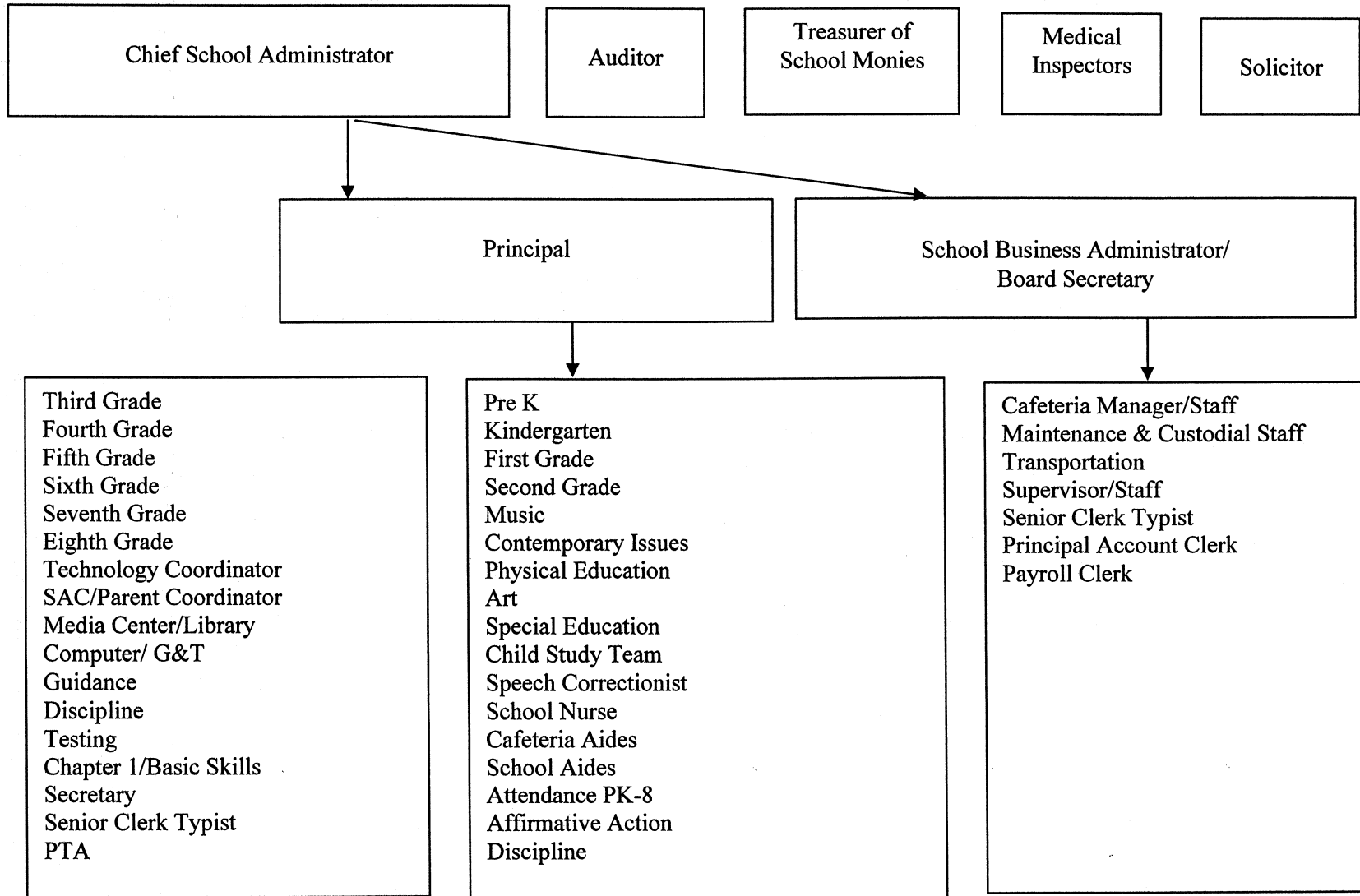
We would like to express our appreciation to the members of the Maurice River Township School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,


Mr. John Saporito, Superintendent of Schools


Patricia Powell, School Business Administrator/Board Secretary

Township of Maurice River School District
Organizational Chart



TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
PORT ELIZABETH, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2012

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Robert Davidson, President	2013
Donna Justis, Vice President	2012
Charles Ciaurelli	2014
Crystal Devlin	2012
Virginia Hess	2013
Gary Stites	2014
Penny Wells	2012

OTHER OFFICIALS

Mr. John Saporito, Chief School Administrator

Patricia A. Powell, School Business Administrator/Board Secretary

Sharon Lloyd, Custodian of School Monies (To: June 30, 2012)

Sharon Lamb, Custodian of School Monies (From: June 19, 2012)

Frank DiDomenico, Esq., Solicitor

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, C.P.A., R.M.A.
Nightlinger, Colavita and Volpa
Certified Public Accountants
991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

ATTORNEY

Frank DiDomenico, Esquire
8 LaSalle Drive
Vineland, NJ 08360

OFFICIAL DEPOSITORY

Bank of America
Commerce and Laurel Streets
Bridgeton, NJ 08302

Branch Offices in Millville, NJ 08332

INSURANCE AGENT

Conner Strong Companies, Inc.
The Porch Agency
123 Rosenhayn Avenue
Bridgeton, New Jersey 08302

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245

September 21, 2012

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Maurice River School District
County of Cumberland, New Jersey 08348

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Township of Maurice River School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Township of Maurice River School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Maurice River Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Maurice River Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 21, 2012 on our consideration of the Township of Maurice River Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governments Auditing Standard and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 19 and 55 through 65 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Maurice River Board of Education's, financial statements as a whole. The introductory section, combining fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by United States Office of Management and Budget, Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid*, respectively and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, long-term debt schedules and expenditures of federal awards and state assistance are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subject to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
MAURICE RIVER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

UNAUDITED

The discussion and analysis of Maurice River Township Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2012 are as follows:

- ❖ General revenues accounted for \$7,276,014 in revenue or 88.9% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$909,228 or 11.1% percent to total revenues of \$8,185,242.
- ❖ Total net assets of governmental activities increased by a net amount of \$74,231 in the areas of cash and cash equivalents, receivables, and capital assets.
- ❖ The School District had \$8,113,692 in expenses of which \$909,228 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and Federal and State Aid not restricted) were adequate to provide for these programs.
- ❖ The General Governmental Fund had \$7,481,646 in revenues, \$7,253,499 in expenditures. The General Fund's balance increased \$228,147 over 2011. This increase was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Maurice River Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Maurice River Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ **Business-type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole, which includes the Business-type Activities.

Table 1 provides a summary of the School District's net assets for the years ended in 2012 and 2011.

Table 1
Net Assets

	2012	2011
Assets		
Current and Other Assets	\$ 1,562,655	\$ 1,475,341
Capital Assets, Net	3,311,652	3,520,011
Total Assets	4,874,307	4,995,352
Liabilities		
Long-term Liabilities	1,506,895	1,633,244
Other Liabilities	52,763	119,009
Total Liabilities	1,559,658	1,752,253
Net Assets		
Invested in Capital Assets, Net of Debt	1,901,652	1,995,011
Restricted	1,376,839	1,320,285
Unrestricted	36,158	(72,197)
Total Net Assets	\$ 3,314,649	\$ 3,243,099

Table 2 shows the changes in net assets from fiscal year's 2012 and 2011.

Table 2
Changes in Net Assets

	2012	2011
Revenues		
Programs Revenues		
Charges for Services	\$ 58,966	\$ 49,151
Operating Grants and Contributions	850,262	834,752
General Revenues		
Property Taxes	2,637,700	2,620,316
Grants and Entitlements	4,545,654	4,153,583
Other	92,660	194,769
Total Revenues	8,185,242	7,852,571
Program Expenses		
Instruction	2,146,451	2,431,601
Support Services		
Tuition	2,320,553	2,055,731
Pupils and Instructional Staff	516,084	460,082
General Administration, School		
Administration, Business	450,543	430,503
Operations and Maintenance of		
Facilities	465,310	462,502
Security	20,500	
Pupil Transportation	476,343	446,627
Employee Benefits	1,213,044	1,163,964
Interest on Debt	61,713	66,213
Food Service	214,054	172,832
Other	229,097	217,201
Total Expenses	8,113,692	7,907,256
Increase in Net Assets	\$ 71,550	\$ (54,685)

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's total revenues from governmental activities were \$7,276,014 for the fiscal year ended June 30, 2012 property taxes made up 36.3% percent of revenues for governmental activities for the Maurice River Township School District for fiscal year 2012. Federal, state and local grants accounted for another 62.5%. Miscellaneous revenues made up the remaining 1.2%. The net cost of all Governmental Activity programs and services was \$7,136,783. Instruction of \$1,949,138 comprises 27.3% of these expenses.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses of \$214,054 exceeded revenues by \$67,681. This decrease in net assets resulted in an ending balance of \$50,618, which includes a transfer \$65,000 from the general fund.
- ❖ Charges for services represent \$58,966 of revenue. This represents the total amount paid by patrons for daily food services.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$87,407.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that placed on the District by each of these functions.

Table 3

	<u>Total Cost of Services 2012</u>	<u>Net Cost of Services 2012</u>	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>
Instruction	\$ 2,146,451	\$ 1,949,138	\$ 2,431,601	\$ 2,172,188
Support Services				
Tuition	2,320,553	2,320,553	2,055,731	2,055,731
Pupils and Instructional Staff	516,084	372,344	460,082	316,851
General Administration, School				
Administration, Business	450,543	450,543	430,503	430,503
Operation and Maintenance of Facilities	465,310	465,310	462,502	462,502
Security	20,500	20,500		
Pupil Transportation	476,343	476,343	446,627	446,627
Employee Benefits	1,213,044	791,242	1,163,964	809,661
Interest and Fiscal Charges	61,713	61,713	75,261	66,213
Other	229,097	229,097	217,201	217,201
Total Expenses	<u>\$ 7,899,638</u>	<u>\$ 7,136,783</u>	<u>\$ 7,743,472</u>	<u>\$ 6,977,477</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

The School District's Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$8,038,869 and expenditures of \$7,813,458. The net positive/negative change in fund balance was \$225,411. There was also a board contribution to the Food Service Fund, in the amount of \$65,000. The School District is, therefore, able to meet current operating costs with no urgent need for additional funds. Availability of surplus funds in the future will be an important factor in budgeting.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2012, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2011</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 2,730,360	34.0%	\$ (84,725)	-3.0%
State Sources	4,904,983	61.0%	326,008	6.8%
Federal Sources	403,526	5.0%	71,971	25.7%
Total	<u>\$ 8,038,869</u>	<u>100.0%</u>	<u>\$ 313,254</u>	<u>4.0%</u>

The decrease in Local Sources is attributed to increases in, local tax levy of \$17,384, offset by decreases in tuition of \$5,465, transportation charges of \$56,125, interest earnings of \$129 and miscellaneous revenue of \$40,390.

The increase in State Sources is attributed to increases in general fund state aid of \$301,213, grants for special projects of \$24,504 and \$291 in the debt service fund.

The increase in Federal Sources is attributed to various increases in general fund revenues of \$149,953, offset by a decrease in special revenue awards of \$77,982.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2012.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2011</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 2,146,451	27.5%	\$ (285,150)	-11.8%
Undistributed Expenditures	5,469,763	70.0%	412,327	8.5%
Capital Outlay	18,231	0.2%	(327,951)	-425.2%
Debt Service:				
Principal	115,000	1.5%	5,000	3.0%
Interest	64,013	0.8%	(4,400)	-5.1%
Total	<u>\$ 7,813,458</u>	<u>100.0%</u>	<u>\$ (200,174)</u>	<u>-2.6%</u>

The decrease in Instruction is attributed to a decrease in regular instruction costs of \$449,940, offset by increases in special education costs of \$133,032 and other special instruction costs of \$31,758.

The increase in Undistributed Expenditures is attributed to increases of \$264,822 in tuition, \$56,002 in student & instruction related services, \$20,040 in school administration and central services, \$2,808 in plant operations, \$29,716 in transportation, \$20,500 in security and \$18,439 in employee benefits.

The decrease in Capital Outlay expenditures is attributed to decreased expenditures for both regular and transportation equipment of \$327,951.

The increase in Debt Service of \$600 is attributed to an increase in principle of \$5,000, combined with a reduction in interest payments of \$4,400 on the bond issue.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2012, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the General Fund anticipated that revenues, along with surplus anticipated of \$744,856, would roughly equal expenditures, the actual results for the year show a \$197,384 excess in revenue over expenditures. The overall positive variance, combining revenues with expenditures was \$1,216,695, as shown on Exhibit C-1.

- ❖ Actual revenues were \$246,628 more than expected, due primarily to increases in School Choice Aid, Transportation and Extraordinary Aid. Including contributions for On-Behalf Pension and Social Security State Aid of \$381,909, the result is a positive variance of \$628,537, as shown on Exhibit C-1.
- ❖ The actual expenditures were \$970,067 lower than expected, offset by the state On-Behalf Pension and Social Security aid of \$381,909, resulting in the reported favorable variance of \$588,158, as shown on Exhibit C-1.

Capital Assets

At the end of the fiscal year 2012, the School District had \$3,311,652 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2012 balances compared to 2011.

Table 4
Capital Assets (Net of Depreciation) at June 30

	2012	2011
Land	\$ 62,441	\$ 62,441
Land Improvements	22,796	31,915
Building and Improvements	2,695,499	2,772,979
Equipment	530,916	652,676
Totals	<u>\$ 3,311,652</u>	<u>\$ 3,520,011</u>

Overall capital assets decreased \$208,359 in fiscal year 2012. Increases in capital assets of \$18,231 (primarily buildings and improvements and equipment) were offset by depreciation expenses for the year of \$226,590 and asset retirement.

Debt Administration

At June 30, 2012, the School District had \$1,505,099 as outstanding debt. Of this amount \$95,099 is for compensated absences and the balance of \$1,410,000 for bonds related to school construction.

At June 30, 2012, the School District's overall legal debt margin was \$9,658,494 and the unvoted debt margin was \$8,248,494.

	<u>Date Of Issue</u>	<u>Amount of Issue</u>	<u>Balance at June 30, 2012</u>
Addition to the Elementary School Building Refunding Issue	1/1/2007	\$ 1,950,000	\$ 1,410,000

For the Future

The Maurice River Township School District hopes to continue its "Choice" status to increase its student enrollment and Choice Aid funding. Through the use of Choice Aid funding, the district hopes to upgrade its facility and expand the services provided to students

In conclusion, the Maurice River Township School District has committed itself to excellence in education for many years despite its financial struggle to survive. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Patricia A. Powell, School Business Administrator/Board Secretary at Maurice River Township Board of Education, P.O. Box 464, 3593 S. Delsea Drive, Port Elizabeth, NJ 08348.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,394,614	\$ 3,680	\$ 1,398,294
Receivables, Net	103,491	14,390	117,881
Inventory		2,480	2,480
Unamortized Bond Issue Costs	44,000		44,000
Capital Assets, Net (Note 5):	3,277,798	33,854	3,311,652
	<hr/>	<hr/>	<hr/>
Total Assets	4,819,903	54,404	4,874,307
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts Payable	9,089	821	9,910
Accrued Interest	29,706		29,706
Deferred Revenue	11,978	1,169	13,147
Non-current Liabilities (Note 6):			
Due Within One Year	120,000		120,000
Due Beyond One Year	1,385,099	1,796	1,386,895
	<hr/>	<hr/>	<hr/>
Total Liabilities	1,555,872	3,786	1,559,658
	<hr/>	<hr/>	<hr/>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	1,867,798	33,854	1,901,652
Restricted For:			
Other Purposes	1,376,839		1,376,839
Unrestricted	19,394	16,764	36,158
	<hr/>	<hr/>	<hr/>
Total Net Assets	\$ 3,264,031	\$ 50,618	\$ 3,314,649
	<hr/>	<hr/>	<hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 1,739,030	\$	\$ 197,313	\$ (1,541,717)	\$	\$ (1,541,717)
Special Education	357,011			(357,011)		(357,011)
Other Special Instruction	50,410			(50,410)		(50,410)
Support Services:						
Tuition	2,320,553			(2,320,553)		(2,320,553)
Student & Instruction Related Services	516,084		143,740	(372,344)		(372,344)
General and Business Administrative Services	123,993			(123,993)		(123,993)
School Administrative Services	116,005			(116,005)		(116,005)
Central Services	210,545			(210,545)		(210,545)
Plant Operations and Maintenance	465,310			(465,310)		(465,310)
Security	20,500			(20,500)		(20,500)
Pupil Transportation	476,343			(476,343)		(476,343)
Employee Benefits	1,213,044		421,802	(791,242)		(791,242)
Amortization of Debt Issue Costs	4,400			(4,400)		(4,400)
Interest on Long-term Debt	61,713			(61,713)		(61,713)
Unallocated Depreciation	224,697			(224,697)		(224,697)
Total Governmental Activities	7,899,638		762,855	(7,136,783)		(7,136,783)
Business-type Activities:						
Food Service	214,054	58,966	87,407		(67,681)	(67,681)
Total Business-type Activities	214,054	58,966	87,407		(67,681)	(67,681)
Total Primary Government	\$ 8,113,692	\$ 58,966	\$ 850,262	(7,136,783)	(67,681)	(7,204,464)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				2,545,856		2,545,856
Taxes Levied for Debt Service				91,844		91,844
Federal and State Aid Not Restricted				4,545,654		4,545,654
Tuition - Other LEAs				3,379		3,379
Transportation Charges				47,721		47,721
Investment Earnings				38		38
Miscellaneous Income				41,522		41,522
Transfer				(65,000)	65,000	
Total General Revenues, Special Items, Extraordinary Items and Transfers				7,211,014	65,000	7,276,014
Change in Net Assets				74,231	(2,681)	71,550
Net Assets—Beginning				3,189,800	53,299	3,243,099
Net Assets—Ending				\$ 3,264,031	\$ 50,618	\$ 3,314,649

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Special Revenue Fund	Debt Service fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,394,611	\$	\$ 3	\$ 1,394,614
Receivables from Other Governments	10,333			10,333
Interfund Receivables	40,873			40,873
State Aid Receivable	33,284			33,284
Federal Aid Receivable	18,670	41,204		59,874
Total Assets	<u>\$ 1,497,771</u>	<u>\$ 41,204</u>	<u>\$ 3</u>	<u>\$ 1,538,978</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 7,969	\$ 1,120	\$	\$ 9,089
Interfund Payable		40,873		40,873
Deferred Revenue		11,978		11,978
Total Liabilities	<u>7,969</u>	<u>53,971</u>		<u>61,940</u>
Fund Balances:				
Restricted for:				
Maintenance Reserve	355,292			355,292
Tuition Reserve - Designated for Subsequent Year's Expenditures	186,285			186,285
Tuition Reserve	234,930			234,930
Capital Reserve	90,000			90,000
Emergency Reserve	250,000			250,000
Excess Surplus	32,978			32,978
Committed to Year-end Encumbrances	243,197			243,197
Assigned - Designated for Subsequent Year's Expenditures	227,354			227,354
Unassigned, Reported In:				
General Fund	(130,234)			(130,234)
Special Revenue Fund		(12,767)		(12,767)
Debt Service Fund			3	3
Total Fund Balances	<u>1,489,802</u>	<u>(12,767)</u>	<u>3</u>	<u>1,477,038</u>
Total Liabilities and Fund Balances	<u>\$ 1,497,771</u>	<u>\$ 41,204</u>	<u>\$ 3</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

The cost associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Assets. The total bond issue costs are \$114,000 and the accumulated amortization is \$70,000.

44,000

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,449,177 and the accumulated depreciation is \$3,171,379 (Note 5).

3,277,798

Accrued interest is not due and payable in the current period and are therefore not reported as liabilities.

(29,706)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 6).

(1,505,099)

Net assets of governmental activities

\$ 3,264,031

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	\$ 2,545,856	\$	\$ 91,844	\$ 2,637,700
Tuition from Other LEAs	3,379			3,379
Transportation Charges	47,721			47,721
Interest Earned	38			38
Miscellaneous	41,522			41,522
Total - Local Sources	2,638,516		91,844	2,730,360
State Sources	4,692,884	124,930	87,169	4,904,983
Federal Sources	150,246	253,280		403,526
Total Revenues	7,481,646	378,210	179,013	8,038,869
EXPENDITURES				
Current:				
Regular Instruction	1,541,717	197,313		1,739,030
Special Education Instruction	357,011			357,011
Other Special Instruction	50,410			50,410
Support Services:				
Tuition	2,320,553			2,320,553
Student & Instruction Related Services	372,344	143,740		516,084
General Administrative Services	123,993			123,993
School Administrative Services	116,005			116,005
Central Services	210,545			210,545
Plant Operations and Maintenance	465,310			465,310
Security	20,500			20,500
Pupil Transportation	476,343			476,343
Employee Benefits	1,180,537	39,893		1,220,430
Capital Outlay	18,231			18,231
Debt Service:				
Principal			115,000	115,000
Interest and Other Charges			64,013	64,013
Total Expenditures	7,253,499	380,946	179,013	7,813,458
Excess (Deficiency) of Revenues Over Expenditures	228,147	(2,736)	-	225,411
OTHER FINANCING SOURCES (USES)				
Transfers Out - Food Service Deficit	(65,000)			(65,000)
Total Other Financing Sources and Uses	(65,000)			(65,000)
Net Change in Fund Balances	163,147	(2,736)		160,411
Fund Balance—July 1	1,326,655	(10,031)	3	1,316,627
Fund Balance—June 30	\$ 1,489,802	\$ (12,767)	\$ 3	\$ 1,477,038

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Total net change in fund balances - governmental funds (from B-2)		\$	160,411
Amounts reported for governmental activities in the statement of activities (A-2) are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.			
Depreciation Expense		\$	(224,697)
Amortization - Debt Issue Costs			(4,400)
Capital Outlays			18,231
			<hr/>
			(210,866)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.			
			115,000
Payment of capital leases is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.			
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the government funds, interest is reported when due.			
			2,300
In the statement of activities, certain operating expenses, e. g. compensated absences are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).			
Compensated Absences			7,386
			<hr/>
Change in net assets of governmental activities (A-2)		\$	74,231
			<hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	Business-type Activities	
	Enterprise Funds	
	Food Service	Totals
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 3,680	\$ 3,680
Accounts Receivable	14,390	14,390
Inventories	2,480	2,480
Total Current Assets	20,550	20,550
Fixed Assets:		
Equipment	64,557	64,557
Accumulated Depreciation	(30,703)	(30,703)
Total Fixed Assets	33,854	33,854
Total Assets	\$ 54,404	\$ 54,404
LIABILITIES AND FUND EQUITY:		
Current Liabilities:		
Deferred Revenue	\$ 1,169	\$ 1,169
Compensated Absences	1,796	1,796
Accounts Payable	821	821
Total Current Liabilities	3,786	3,786
Net Assets:		
Investment in Fixed Assets	33,854	33,854
Unrestricted	16,764	16,764
Total Fund Equity	50,618	50,618
Total Liabilities and Net Assets	\$ 54,404	\$ 54,404

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Business-type Activities	
	Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 38,233	\$ 38,233
Daily Sales - Non-reimbursable Programs	20,733	20,733
Total Operating Revenue:	58,966	58,966
Operating Expenses:		
Cost of Sales	75,370	75,370
Salaries	68,305	68,305
Employee Benefits	48,630	48,630
Consulting Fee	10,950	10,950
Repairs & Other Expenses	6,461	6,461
General Supplies	2,445	2,445
Depreciation	1,893	1,893
Total Operating Expenses	214,054	214,054
Operating Income (Loss)	(155,088)	(155,088)
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	1,730	1,730
Federal Sources:		
National School Breakfast Program	16,241	16,241
National School Lunch Program	61,109	61,109
Food Distribution Program	8,327	8,327
Total Non-Operating Revenues (Expenses)	87,407	87,407
Income (Loss) Before Contributions & Transfers	(67,681)	(67,681)
Transfers In (Out)	65,000	65,000
Change in Net Assets	(2,681)	(2,681)
Total Net Assets—Beginning	53,299	53,299
Total Net Assets—Ending	\$ 50,618	\$ 50,618

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Business-type Activities Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 58,966	\$ 58,966
Payments to Employees	(68,305)	(68,305)
Payments for Employee Benefits	(48,630)	(48,630)
Payments to Suppliers	(126,577)	(126,577)
Net Cash Provided by (used for) Operating Activities	(184,546)	(184,546)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	1,730	1,730
Federal Sources	77,350	77,350
Operating Subsidies and Transfers to Other Funds	65,000	
Net Cash Provided by (used for) Non-Capital Financing Activities	144,080	79,080
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets		
Net Cash Provided by (used for) Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends		
Net Cash Provided by (used for) Investing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	(40,466)	(105,466)
Balances—Beginning of Year	44,146	44,146
Balances—End of Year	\$ 3,680	\$ (61,320)
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (155,088)	\$ (155,088)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities		
Food Distribution Program	8,327	8,327
Depreciation and Net Amortization	1,893	1,893
(Increase) Decrease in Accounts Receivable, Net	(143)	(143)
(Increase) Decrease in Inventories	(540)	(540)
Increase (Decrease) in Accounts Payable	(35,758)	(35,758)
(Decrease) Increase in Compensated Absences	(3,963)	(3,963)
Increase (Decrease) in Deferred Revenue	726	726
Total Adjustments	(29,458)	(29,458)
Net Cash Provided by (used for) Operating Activities	\$ (184,546)	\$ (184,546)

Noncash Noncapital Financing Activities:

During the Year, the District Received \$8,977 of Food Commodities from the U. S. Department of Agriculture

The accompanying Notes to Financial Statements are an integral part of this statement.

FIDUCIARY FUNDS

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 233,609	\$ 105,237
Accounts Receivable		
	<u>233,609</u>	<u>105,237</u>
Total Assets		
LIABILITIES		
Payroll Deductions Payable		23,058
Payable to Student Groups		82,179
		<u>105,237</u>
Total Liabilities	\$	\$ <u>105,237</u>
NET ASSETS		
Held in Trust for Unemployment		
Claims and other Purposes	\$ 233,609	
	<u>233,609</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Contribution	\$ -
Plan Member	10,002
Interest Income	
	<hr/>
Total Additions	10,002
	<hr/>
DEDUCTIONS	
Unemployment Claims	5,210
	<hr/>
Total Deductions	5,210
	<hr/>
Change in Net Assets	4,792
Net Assets—Beginning of the Year	228,817
	<hr/>
Net Assets—End of the Year	\$ 233,609
	<hr/> <hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Maurice River Township School District (District) is organized under the Constitution of the State of New Jersey. It is located in Cumberland County and provides educational services for all of Maurice River Township's grades K through 8 as authorized by state and federal guidelines.

The District serves an area of approximately seventy square miles. The District currently operates one instructional building and an administrative building. The Maurice River Township School District had an approximate enrollment at June 30, 2012 of 393 students.

A. Reporting Entity:

The Maurice River Township School District is a Type II district as provided by statute of the State of New Jersey. As a Type II district, it functions independently and operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Maurice River Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments).

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In addition, the School District has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

A. Basis of Presentation:

The District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District-wide Statements: The statement of net assets and the statements of activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report as follows:

GOVERNMENTAL FUND TYPE

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted Capital Outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUND TYPE

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise (Food Service) Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund Equipment	7 – 20 Years
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Internal Service Fund

The Maurice River Township School District does not maintain an Internal Service whereby services would be provided on a cost-reimbursement basis.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and a scholarship fund.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

C. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus (Cont'd):

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the second Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2 (m) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Budgets/Budgetary Control (Cont'd):

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-2.

E. Encumbrance Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable:

Tuition charges for the fiscal years 2011-12, 2010-11 and 2009-10 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. Short -Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Assets, Liabilities and Equity:

Transactions

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

Inventories

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Capital Assets - General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2012 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Assets in general fixed assets are not depreciated.

Capital assets are depreciated in the district-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	50
Building Improvements	20
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the Statement of Net Assets.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

L. Deferred Revenue:

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned.

M. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

N. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

O. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

P. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

Q. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

R. Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

S. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Assets.

T. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

U. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

V. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the school district

As of June 30, 2012, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking accounts	\$ 1,643,299
Certificate of Deposit	-0-
MBIA Municipal Investors	18,476
N.J. Cash Management Fund	75,365
	<hr/>
Total	\$ 1,737,140
	<hr/>

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Custodial Credit Risk

All bank deposits and investments as of the balance sheet date are entirely insured or collateralized by a pool maintained by public depositories as required by the Governmental Unit Protection Act and are classified as to credit risk by the following three categories described below.

Custodial Credit Risk for deposits is the risk that, in the event of a bank failure, the districts deposits may not be returned to it. Although the district does not have a formal policy regarding custodial credit risk, as described in Note 1: N.J.S.A. 17:9-41 et. Seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Protection Act.

The Board of Education designates and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

As of June 30, 2012, \$1,797,564.97 of the Districts bank balance of \$2,122,930 was uninsured and exposed to custodial credit risk.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2012, the District had \$75,365 of funds on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

Capital reserve accounts may be established by New Jersey School Districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the General Fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district's Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2012 is \$423,728.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5. CAPITAL ASSETS

Capital Asset Activity for the Year Ended June 30, 2012 was as Follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets that are not Being Depreciated:				
Land	\$ 62,441	\$ -	\$ -	\$ 62,441
Total Capital Assets not Being Depreciated	62,441			62,441
Land Improvements	300,274			300,274
Building and Building Improvements	4,431,250	11,431		4,442,681
Machinery and Equipment	1,749,870	6,800	(112,889)	1,643,781
Totals at Historical Cost	6,481,394	18,231	(112,889)	6,386,736
Less Accumulated Depreciation for :				
Land Improvements	(268,359)	(9,119)		(277,478)
Building and Improvements	(1,658,271)	(88,911)		(1,747,182)
Equipment	(1,132,941)	(126,667)	112,889	(1,146,719)
Total Accumulated Depreciation	(3,059,571)	(224,697)	112,889	(3,171,379)
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	3,421,823	(206,466)	-	3,215,357
Government Activities Capital Assets, Net	\$ 3,484,264	\$ (206,466)	\$ -	\$ 3,277,798
	To A-1			To A-1
Business-type Activities - Equipment	\$ 79,057	\$ -	\$ (14,500)	\$ 64,557
Less Accumulated Depreciation	(43,310)	(1,893)	14,500	(30,703)
Business-type Activities Capital Assets, Net	\$ 35,747	\$ (1,893)	\$ -	\$ 33,854

Depreciation Expense was Charged to Governmental Functions
as Follows:

Unallocated	To A-2	\$ 224,697
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MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2012, the following changes occurred in long-term obligations:

	Amounts					
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year	Long-term Portion
Governmental Activities:						
Bonds Payable:						
General Obligation Debt	\$ 1,525,000	\$ -	\$ 115,000	\$ 1,410,000	\$ 120,000	\$ 1,290,000
Total Bonds Payable	1,525,000		115,000	1,410,000	120,000	1,290,000
Other Liabilities:						
Obligations Under Capital Lease						
Compensated Absences Payable	102,485		7,386	95,099		95,099
Total Other Liabilities	\$ 1,627,485	\$ -	\$ 122,386	\$ 1,505,099	\$ 120,000	\$ 1,385,099
To A-1						
Business-Type Activities:						
Compensated Absences Payable	\$ 5,759	\$ -	\$ 3,963	\$ 1,796	\$ -	\$ 1,796

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Principal and interest due on bonds outstanding is as follows:

Year ending June 30,	Principal	Interest	Total
2013	\$ 120,000	\$ 59,413	\$ 179,413
2014	125,000	54,613	179,613
2015	140,000	48,363	188,363
2016	150,000	41,913	191,913
2017	145,000	35,913	180,913
2018	150,000	30,113	180,113
2019	150,000	23,925	173,925
2020	145,000	17,738	162,738
2021	145,000	11,756	156,756
2022	140,000	5,775	145,775
	<u>\$ 1,410,000</u>	<u>\$ 329,522</u>	<u>\$ 1,739,522</u>

B. Bonds Authorized But Not Issued - As of June 30, 2012, the District had no authorized but not issued bonds.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7. OPERATING LEASES

The District had commitments to lease certain office equipment under operating leases that expire in 2014. There were no operating lease obligations initiated in the year ended June 30, 2012. Future minimum lease payments are as follows:

Year Ending June 30,	<u>Amount</u>
2013	\$ 1,140
2014	360
Total Future Minimum Lease Payments	<u>\$ 1,500</u>

NOTE 8. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8. PENSION PLANS (CONT'D)

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for earnings on their contributions at 2% per annum. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - P.L. 2010, c.1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

This new legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF and PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF and PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the SPRS and PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the prosecutor's part of the PERS to new members and repealed the law for the new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the States Defined Contribution Retirement Program.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8. PENSION PLANS (CONT'D)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost - of - living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>		<u>Annual</u> <u>Pension</u> <u>Cost APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>		<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/12	\$	73,310	100 %	\$	73,310
6/30/11		72,475	100		72,475
6/30/10		66,901	100		66,901

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Year</u> <u>Funding</u>		<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>		<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/12	\$	210,209	100 %	\$	0
6/30/11		156,837	100		0
6/30/10		163,647	100		0

During the fiscal year ended June 30, 2012 the State of New Jersey contributed \$69,831 to the TPAF for Non-Contributory Insurance normal and \$140,378 for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$171,700 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund schedules as a revenue and expenditure in accordance with GASB 27.

Legislation enacted during 1991 and 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1992 and 1994 fiscal years. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The District assumed the increased cost for the early retirement as it affected their districts.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9. POST-RETIREMENT BENEFITS (CONT'D)

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011 there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

NOTE 10. COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions.

In the district wide-Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, a liability existed for compensated absences in the General Fund of \$95,099 and \$1,796 none in the Food Service Fund.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators during the year ended June 30, 2012 were Syracuse, Metlife, Wachovia, Ameriprise, Northern Life, Prudential, and Lincoln Investment. The district also maintains an AFLAC pre-taxed disability plan under Section 125 of the Internal Revenue Service.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$ 0	\$ 10,002	\$ 5,210	\$ 233,609
2010-2011	0	8,556	33,394	228,817
2009-2010	145,527	10,866	10,312	253,655

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

	<u>Due To</u>	<u>Due From</u>
General Fund	\$40,873	
Special Revenue Fund		\$40,873

NOTE 14. INVENTORY

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food	\$ 2,207
Supplies	273
	<u>\$ 2,480</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The ending commodity inventory value as of June 30, 2012 was \$1,169.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15. DEFICIT FUND BALANCES

The District has an Unreserved and Undesignated deficit in the General Fund of \$130,234 and a deficit in the Special Revenue Fund of \$12,767 as of June 30, 2012 as reported in the fund statements (modified accrual basis). *N.J.S.A.* 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school year, districts must record the delayed one or more June state aid payments as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$130,234 in the General Fund and \$12,767 in the Special revenue fund is equal to or less than the last state payment(s).

NOTE 16. FUND BALANCE APPROPRIATED

General Fund - Of the \$1,489,802 Fund balance at June 30, 2012, \$243,197 is committed for encumbrances; \$32,978 is reserved as excess surplus in accordance with *N.J.S.A.* 18A:7F-7 (\$0, of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2013); \$355,292 is reserved for Maintenance Reserve, of which \$0 has been appropriated and also included as anticipated revenue for the year ending June 30, 2013; \$250,000 is reserved for Emergency Reserve; \$90,000 is reserved for Capital Reserve; \$421,215 is reserved for Tuition Reserve, of which \$186,285 has been appropriated and also included as anticipated revenue for the year ending June 30, 2013; \$227,354 has been assigned as fund balance appropriated and also included as anticipated revenue for the year ending June 30, 2013 and (\$130,234) represents an unreserved and undesignated fund balance.

Debt Service Fund – The Debt Service Fund fund balance at June 30, 2012 is \$3 and has not been included as anticipated revenue for the year ended June 30, 2013.

NOTE 17. CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A.* 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012, which is to be reserved and budgeted in the 2013-14 fiscal year, is \$32,978.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 18. LITIGATION

The District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Board, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

NOTE 19. TUITION

Maurice River Township School District, along with three other sending districts to Millville School District has commenced litigation against the State of New Jersey regarding the new regulations governing the calculation of the receiving district's current year tuition rate as well as the audited tuition rate. The new regulations allow for substantial increases in the current year tuition rate and at the same time substantial decreases in the audited tuition rate, causing the sending districts serious budget issues. For this reason, the sending districts are seeking a change in the regulations through litigation.

NOTE 20. RECEIVABLES

Receivables at June 30, 2012 consisted of intergovernmental grants and other items. All receivables are considered collectible in full.

Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	Special			
Receivables:	General	Revenue	Proprietary	Total
	Fund	Fund	Funds	
Intergovernmental	\$ 62,287	\$ 41,204	\$ 13,181	\$ 116,672
Other			1,209	1,209
Totals	\$ 62,287	\$ 41,204	\$ 14,390	\$ 117,881

End of Notes to Financial Statements.

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,545,856	\$	\$ 2,545,856	\$ 2,545,856	\$
Tuition from Other LEAs - Homeless				3,379	3,379
Transportation Fees from other LEAs	100,000	(50,000)	50,000	47,721	(2,279)
Interest Earned	150		150	38	(112)
Miscellaneous	300	55,258	55,558	41,522	(14,036)
Total - Local Sources	2,646,306	5,258	2,651,564	2,638,516	(13,048)
State Sources:					
Equalization Aid	3,531,992		3,531,992	3,531,992	
Categorical Special Education Aid	261,512		261,512	261,512	
Categorical Security Aid	89,425		89,425	89,425	
Categorical Transportation Aid	202,607		202,607	280,301	77,694
School Choice Aid				149,660	149,660
Other State Aids:					
Non-public Transportation Aid				5,180	5,180
Extraordinary Aid				27,142	27,142
On-behalf TPAF Non-Contributory Ins (non-budgeted)				69,831	69,831
On-behalf TPAF Post Retirement Med'l Contributions (non-budgeted)				140,378	140,378
Reimbursement TPAF Social Security Contrib. (non-budgeted)				171,700	171,700
Total - State Sources	4,085,536		4,085,536	4,727,121	641,585
Federal Sources:					
Education Jobs Fund	145,682	4,564	150,246	150,246	
Total - Federal Sources	145,682	4,564	150,246	150,246	
TOTAL REVENUES	6,877,524	9,822	6,887,346	7,515,883	628,537
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	1,100	2,813	3,913	1	3,912
Kindergarten	188,209	(66,365)	121,844	121,714	130
Grades 1-5	805,153	(3,835)	801,318	784,268	17,050
Grades 6-8	544,554	(72,508)	472,046	471,728	318
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000	(9,933)	5,067	5,066	1
Other Purchased Services	300	1,000	1,300	959	341
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction	88,137	(61,556)	26,581	25,741	840
Purchased Professional - Educational Services	7,000	(4,772)	2,228	2,228	
Purchased Technical Services	1,000	6,422	7,422	1,950	5,472
Other Purchased Services	15,500	(3,587)	11,913	11,361	552
General Supplies	80,000	205,298	285,298	114,813	170,485
Textbooks	12,000	(8,000)	4,000	1,466	2,534
Other Objects	500		500	422	78
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,758,453	(15,023)	1,743,430	1,541,717	201,713

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Learning/Language Disabilities					
Salaries of Teachers	\$ 114,616	\$ (8,089)	\$ 106,527	\$ 105,399	\$ 1,128
Other Salaries for Instruction	26,558	33,093	59,651	59,651	
General Supplies	700	461	1,161	811	350
Total Learning/Language Disabilities	141,874	25,465	167,339	165,861	1,478
Resource Room/Resource Center					
Salaries of Teachers	138,122	53,678	191,800	190,524	1,276
General Supplies	1,000		1,000	626	374
Total Resource Room	139,122	53,678	192,800	191,150	1,650
TOTAL SPECIAL EDUCATION - INSTRUCTION	280,996	79,143	360,139	357,011	3,128
Basic Skills/Remedial - Instruction					
Salaries of Teachers		23,283	23,283	23,218	65
Other Purchased Services		11,994	11,994	11,994	
General Supplies		10,280	10,280	9,883	397
Total Basic Skills		45,557	45,557	45,095	462
School Sponsored Co-curricular Activities:					
Salaries of Teachers	2,000	2,510	4,510	2,521	1,989
Purchased Services	1,500		1,500	980	520
Supplies and Materials	5,000	(2,510)	2,490	1,814	676
Other Objects	200		200		200
Total School Sponsored Co-curricular Activities	8,700		8,700	5,315	3,385
Total Instruction	2,048,149	109,677	2,157,826	1,949,138	208,688
UNDISTRIBUTED EXPENDITURES:					
Instruction:					
Tuition - Regular - LEAs in State	1,504,622		1,504,622	1,504,095	527
Tuition to Other LEAs within State-Special	394,698	13,500	408,198	406,193	2,005
Tuition to CSSC & Regional Day Schools	466,234	(81,345)	384,889	264,932	119,957
Tuition to Private Schools for the Handicapped					
Within the State	93,337	16,359	109,696	106,333	3,363
Tuition Other	39,000		39,000	39,000	
Total Undistributed Expenditures - Instruction	2,497,891	(51,486)	2,446,405	2,320,553	125,852
Attendance and Social Work Services:					
Salaries	8,000		8,000	8,000	
Other Purchased Services	9,536		9,536	7,502	2,034
Total Attendance and Social Work Services	17,536		17,536	15,502	2,034

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
UNDISTRIBUTED EXPENDITURES (Continued):					
Health Services:					
Salaries	\$ 67,961	\$	\$ 67,961	\$ 67,397	\$ 564
Purchased Professional and Technical Services	3,500		3,500	2,625	875
Other Purchased Services	600		600		600
Supplies and Materials	6,200	473	6,673	1,318	5,355
Other Objects	150		150		150
Total Health Services	78,411	473	78,884	71,340	7,544
Other Support Services - Students- Related Services:					
Purchased Professional- Educational Services	55,000	10,636	65,636	65,306	330
Supplies and Materials	500	300	800		800
Total Undistributed Expenditures Other Support Services-Students-Related Services	55,500	10,936	66,436	65,306	1,130
Special Education - Extraordinary Services:					
Purchased Professional - Educational Services	30,000	78	30,078	29,204	874
Total Undistributed Expenditures Other Support Services-Students-Extraordinary Services	30,000	78	30,078	29,204	874
Guidance					
Salaries of Other Professional Staff	44,496	53,392	97,888	93,473	4,415
Other Purchased Professional and Technical Services	16,640	(5,000)	11,640	1,775	9,865
Supplies and Materials	500	5,000	5,500	3,221	2,279
Other Objects	500		500	42	458
Total Other Support Services-Students-Regular	62,136	53,392	115,528	98,511	17,017
Child Study Team					
Salaries of Other Professional Staff	3,500		3,500	1,820	1,680
Purchased Professional - Educational Services	20,000	11,250	31,250		31,250
Miscellaneous Purchased Services	500		500	220	280
Supplies and Materials	750		750	97	653
Total Other Support Services - Students - Special Services	24,750	11,250	36,000	2,137	33,863
Improvement of Instruction Services - Other Support					
Salaries of Supervisors of Instruction	38,950		38,950	38,950	
Salaries of Other Professional Staff	1,500		1,500		1,500
Salaries of Secretarial and Clerical Assistants	33,779		33,779	33,389	390
Other Purchased Services	1,000		1,000		1,000
Total Improvement of Instruction Services	75,229		75,229	72,339	2,890
Educational Media Services/School Library:					
Purchased Professional and Technical Services	500		500		500
Other Purchased Services	4,100		4,100	1,307	2,793
Supplies and Materials	1,200		1,200		1,200
Total Educational Media Services/School Library	5,800		5,800	1,307	4,493

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
UNDISTRIBUTED EXPENDITURES: (Continued)					
Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 20,000	\$ (9,000)	\$ 11,000	\$ 2,739	\$ 8,261
Other Salaries	500		500		500
Purchased Professional - Educational Services	1,000	9,000	10,000	9,436	564
Other Purchased Professional and Technical Services	6,500	(997)	5,503	3,327	2,176
Other Purchased Services		1,973	1,973	1,196	777
Total Instructional Staff Training	28,000	976	28,976	16,698	12,278
Support Services General Administration:					
Salaries	75,630		75,630	74,099	1,531
Legal Services	6,000		6,000	2,288	3,712
Audit Fees	13,560		13,560	11,060	2,500
Other Purchased Professional Services	8,111		8,111	5,616	2,495
Communication/Telephone	20,918		20,918	17,999	2,919
BOE Other Purchased Services	4,000	(3,500)	500		500
Other Purchased Services	12,980	(4,000)	8,980	5,366	3,614
General Supplies	700	150	850	736	114
BOE In-House Training/Meeting Supplies	150		150		150
Miscellaneous Expenditures	3,200	(150)	3,050	948	2,102
BOE Membership Dues and Fees	6,000		6,000	5,881	119
Total Support Services General Administration	151,249	(7,500)	143,749	123,993	19,756
Support Services School Administration:					
Salaries of Principals/Assistant Principals	38,950		38,950	38,950	
Salaries of Secretarial and Clerical Assistants	27,624		27,624	27,424	200
Purchased Professional and Technical Services	4,720		4,720	4,168	552
Other Purchased Services	5,600		5,600	4,211	1,389
Supplies and Materials	7,000	1,980	8,980	6,208	2,772
Other Objects	1,500		1,500		1,500
Total Support Services School Administration	85,394	1,980	87,374	80,961	6,413
Undistributed Services - Central Services					
Salaries	190,359	(2,813)	187,546	185,323	2,223
Purchased Professional Services	11,948		11,948	9,758	2,190
Purchased Technical Services	2,500	(204)	2,296	172	2,124
Miscellaneous Purchased Services	10,275	(796)	9,479	8,104	1,375
Supplies and Materials	6,000	4,457	10,457	6,488	3,969
Other Objects	1,400		1,400	700	700
Total Central Services	222,482	644	223,126	210,545	12,581

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
UNDISTRIBUTED EXPENDITURES: (Continued)					
Admin. Info. Technology					
Salaries	\$ 33,185	\$ 2,853	\$ 36,038	\$ 35,044	\$ 994
Other Purchased Services	1,500	39	1,539		1,539
Purchased Technical Services		608	608		608
Total Admin. Info. Technology	34,685	3,500	38,185	35,044	3,141
Required Maintenance for School Facilities					
Increase in Maintenance Reserve					
Cleaning, Repair and Maintenance Services	30,000	11,328	41,328	33,362	7,966
General Supplies	2,000		2,000	425	1,575
Other Objects	250	75,027	75,277	746	74,531
Total Required Maintenance for School Facilities	32,250	86,355	118,605	34,533	84,072
Custodial Services					
Salaries	178,642	11,475	190,117	174,266	15,851
Purchased Professional and Tech Services	500	556	1,056	455	601
Cleaning/ Repair Maintenance	23,000	1,715	24,715	17,933	6,782
Insurance	57,068	10,407	67,475	67,474	1
Misc. Purchased Services	700	260	960	880	80
General Supplies	36,200	45,813	82,013	34,887	47,126
Energy (Natural Gas)	45,000	(22,889)	22,111	22,111	
Energy (Electricity)	120,000	(7,144)	112,856	110,454	2,402
Other Objects	2,300	800	3,100	2,317	783
Total Operating/ Maintenance Plant	463,410	40,993	504,403	430,777	73,626
Security					
Purchased Professional and Tech Services		39,073	39,073	5,647	33,426
General Supplies		57,317	57,317	14,853	42,464
Total Security		96,390	96,390	20,500	75,890
Student Transportation Services:					
Salaries of Non-Instructional Aides	28,817	(28,817)			
Salaries for Pupil Transportation					
(Between Home and School) - Regular	109,295	28,024	137,319	96,579	40,740
Salaries for Pupil Transportation					
(Between Home and School) - Special	70,617	13,766	84,383	62,704	21,679
Salaries for Pupil Transportation					
(Other than Between Home and School)	1,656		1,656		1,656
Salaries for Pupil Transportation					
(Between Home and School) - Nonpublic	700		700		700
Management Fee- ESC Transportation Program	4,000		4,000	3,953	47
Other Purchased Professional and Technical Services	4,000	(3,500)	500	470	30
Cleaning, Repair, and Maintenance Services	55,000	3,500	58,500	56,776	1,724
Lease Purchase Payments - School Buses	40,376	(40,376)			
Contracted Services (Home/School) Vendors		45,000	45,000	43,920	1,080
Contracted Services (Home/School) Joint Agreements	45,000	(44,850)	150	150	
Contracted Services (Special Ed) - Joint Agreements	197,486	(26,602)	170,884	119,674	51,210
Contracted Services- Aid in Lieu of Payments- Non-Public	33,818	(8,500)	25,318	25,307	11
Miscellaneous Purchased Services - Transportation	6,050		6,050		6,050
General Supplies	1,500	75,500	77,000	61,973	15,027
Transportation Supplies	82,500	(82,500)			
Other Objects	6,050	800	6,850	4,837	2,013
Total Student Transportation Services	686,865	(68,555)	618,310	476,343	141,967

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
UNDISTRIBUTED EXPENDITURES: (Continued)					
Increase in Current Expense Emergency Reserve	\$	\$	\$	\$	\$
PERSONAL SERVICES - EMPLOYEE BENEFITS:					
ALLOCATED BENEFITS:					
Special Programs - Instruction - Employee Benefits					
Tuition Reimbursements		1,872	1,872	1,872	
Special Programs - Instruction - Employee Benefits					
Social Security Contributions		4,490	4,490	4,490	
Operation and Maintenance of Plant Services					
Social Security Contributions		6,187	6,187	6,187	
Total Student Transportation Services		12,549	12,549	12,549	
Unallocated Benefits - Employee Benefits					
Social Security Contributions	67,419	(10,353)	57,066	49,846	7,220
Other Retirement Contributions - Regular	96,000	4,102	100,102	74,011	26,091
Unemployment Compensation	4,102	(4,102)			
Workers Comp	43,800		43,800	37,552	6,248
Health Benefits	714,222	(71,803)	642,419	610,226	32,193
Tuition Reimbursement	20,000	(18,450)	1,550	1,549	1
Other Employee Benefits	35,100		35,100	12,895	22,205
TOTAL UNALLOCATED BENEFITS	980,643	(100,606)	880,037	786,079	93,958
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	980,643	(88,057)	892,586	798,628	93,958
On-behalf TPAF Non-Contributory Ins (non-budgeted)				69,831	(69,831)
On-behalf TPAF Post Retirement Med'l Contributions (non-budgeted)				140,378	(140,378)
Reimbursement TPAF Social Security Contributions (non-budgeted)				171,700	(171,700)
Total Undistributed Expenditures	5,532,231	91,369	5,623,600	5,286,130	337,470
TOTAL EXPENDITURES - CURRENT EXPENSE	7,580,380	201,046	7,781,426	7,235,268	546,158
CAPITAL OUTLAY:					
Increase in Capital Reserve (Memo Only)					
EQUIPMENT:					
Special Education - Instruction:					
Undist. Expend. - Care and Upkeep of Grounds	30,000	(30,000)			
Undist. Expend. - Security	6,000	(6,000)			
Undistributed Expenditures:					
Security		6,000	6,000		6,000
Operation & Maintenance of Plant Services					
Student Transportation - School Buses - Regular	3,000		3,000		3,000
Student Transportation - School Buses - Special	3,000		3,000		3,000
Special Schools		48,231	48,231	18,231	30,000
Total Equipment	42,000	18,231	60,231	18,231	42,000

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES: (Continued)					
CAPITAL OUTLAY:					
FACILITIES ACQUISITION AND CONSTRUCTION SERVICES					
Other Purchased Professional and Technical Services	\$	\$	\$	\$	\$
TOTAL CAPITAL OUTLAY	42,000	18,231	60,231	18,231	42,000
TOTAL EXPENDITURES	7,622,380	219,277	7,841,657	7,253,499	588,158
Excess (Deficiency) of Revenues Over (Under) Budget	(744,856)	(209,455)	(954,311)	262,384	1,216,695
Operating Financing Sources (Uses) Operating Transfer Out - Food Service Deficit		(65,000)	(65,000)	(65,000)	
Total Other Financing Sources (Uses)		(65,000)	(65,000)	(65,000)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(744,856)	(274,455)	(1,019,311)	197,384	1,216,695
Fund Balances, July 1	1,704,974		1,704,974	1,704,974	
Fund Balances, June 30	\$ 960,118	\$ (274,455)	\$ 685,663	\$ 1,902,358	\$ 1,216,695
Recapitulation:					
Restricted Fund Balance:					
Maintenance Reserve				\$ 355,292	
Tuition Reserve - Designated for Subsequent Year's Expenditures				186,285	
Tuition Reserve - 2011-12				234,930	
Capital Reserve				90,000	
Emergency Reserve				250,000	
Excess Surplus				32,978	
Committed Fund Balance:					
Year-end Encumbrances				243,197	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				227,354	
Unassigned Fund Balance				282,322	
				1,902,358	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Recognized on GAAP Basis				(412,556)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,489,802	

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
EDUCATION JOBS FUND PROGRAM - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Education Jobs Fund:					
Regular Programs - Undistributed					
Instruction					
Salaries - Other Instruction	\$ 62,046	\$ (62,046)	\$	\$	
Social Security	4,747	(4,747)			
Total Regular Programs - Instruction	<u>66,793</u>	<u>(66,793)</u>			
Special Education					
Learning and/or Language Disabilities:					
Salaries - Other Instruction	17,741	40,955	58,696	58,696	
	1,357	3,133	4,490	4,490	
Total Learning and/or Language Disabilities	<u>19,098</u>	<u>44,088</u>	<u>63,186</u>	<u>63,186</u>	
Custodial Services:					
Salaries	55,542	25,331	80,873	80,873	
Total Custodial Expenses	<u>55,542</u>	<u>25,331</u>	<u>80,873</u>	<u>80,873</u>	
Operation and Maintenance of Plant:					
Social Security Contributions	4,249	1,938	6,187	6,187	
Total Education Jobs Fund:	<u>\$ 145,682</u>	<u>\$ 4,564</u>	<u>\$ 150,246</u>	<u>\$ 150,246</u>	<u>\$</u>

EXHIBIT C-2

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 21,392	\$ 305,455	\$ 267,875	\$ 265,258	\$ 2,617
State Sources	68,694		127,666	127,666	
Total Revenues	90,086	305,455	395,541	392,924	2,617
EXPENDITURES:					
Instruction					
Salaries of Teachers	90,086	70,316	160,402	160,402	
Salaries - Extra Pay		8,742	8,742	6,964	1,778
Other Salaries for Instruction		23,194	23,194	23,194	
Tuition		4,560	4,560	4,560	
Supplies and Materials		11,978	11,978	11,978	
General Supplies		2,810	2,810	2,193	617
Total Instruction	90,086	121,600	211,686	209,291	2,395
Support Services					
Salaries of Teachers		10,410	10,410	10,410	
Salaries Project Coordinator		5,649	5,649	5,649	
Group Insurance		21,477	21,477	21,477	
Social Security Contributions		10,741	10,741	10,519	222
TPAF Contributions		7,897	7,897	7,897	
Purchased Professional - Educational Services		127,681	127,681	127,681	
Total Support Services		183,855	183,855	183,633	222
Facilities Acquisition and Construction Services:					
Buildings					
Instructional Equipment					
Non-instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	90,086	305,455	395,541	392,924	2,617
Other Financing Sources (Uses)					
Total Outflows	90,086	305,455	395,541	392,924	2,617
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 7,515,883	[C-2] \$ 392,924
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
	Prior Year Current Year	(11,978)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	378,319	10,031
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(412,556)	(12,767)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 7,481,646	[B-2] \$ 378,210
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 7,253,499	[C-2] \$ 392,924
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		(11,978)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	[B-2] \$ 7,253,499	[B-2] \$ 380,946

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	NCLB Title I Part A	NCLB Title I Part A C/O	I.D.E.A.- Part B-Basic Reg Prog	I.D.E.A. Part B Preschool	Title II Part A	Rural Education Achievement Program	Preschool Education Aid	Totals 2012
REVENUES:								
Federal Sources	\$ 91,516	\$ 1,807	\$ 128,643	\$ 3,598	\$ 27,494	\$ 12,200		\$ 265,258
State Sources							\$ 127,666	127,666
Total Revenues	91,516	1,807	128,643	3,598	27,494	12,200	127,666	392,924
EXPENDITURES:								
Instruction:								
Salaries of Teachers	68,962				22,286		69,154	160,402
Salaries - Extra Pay	5,285	1,679						6,964
Salaries - Other Instructional							23,194	23,194
Tuition			4,560					4,560
Supplies and Materials							11,978	11,978
General Supplies	2,193							2,193
Total Instruction	76,440	1,679	4,560		22,286		104,326	209,291
Support Services:								
Salary						10,410		10,410
Salary of Teachers								
Salary Project Coordinator	4,372				1,277			5,649
Group Insurance							21,477	21,477
Social Sec Contrib	1,769	128			98		1,863	3,858
Coordinator FICA	334							334
State Share FICA	3,826				1,705	796		6,327
TPAF Contrib	4,775				2,128	994		7,897
Purchased Prof/Educ Services			124,083	3,598				127,681
Total Support Services	15,076	128	124,083	3,598	5,208	12,200	23,340	183,633
Facilities Acq/Construction								
Instructional Equipment								
Total Facilities Acq/Construction								
Total Expenditures	\$ 91,516	\$ 1,807	\$ 128,643	\$ 3,598	\$ 27,494	\$ 12,200	\$ 127,666	\$ 392,924

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

District Wide Totals

	Total		
	Budget	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 69,154	\$ 69,154	\$
Other Salaries for Instruction	23,194	23,194	
Supplies and Materials	11,978	11,978	
Total Instruction	104,326	104,326	
Support:			
Group Insurance	21,477	21,477	
Social Sec Contrib	1,863	1,863	
Total Support Services	23,340	23,340	
Total Expenditures	\$ 127,666	\$ 127,666	\$

CALCULATION OF BUDGET & CARRYOVER

Total revised 2011-12 Preschool Education Aid Allocation	\$ 127,666	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2011)		(2)
Add: Budgeted Transfer from the General Fund 2011-12		(3)
Total Preschool Education Aid Funds Available for 2011-12 Budget	127,666	(4)
Less: 2011-12 Budgeted Preschool Education Aid (including prior year budget carryover)	(127,666)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2012		(6)
Add: June 30, 2012 Unexpended Preschool Education Aid		(7)
2011-12 Carryover - Preschool Education Aid/Preschool Programs	\$ -	(8)
2011-12 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2012-13	\$ -	(9)

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ASSETS:		
Current Assets:		
Cash	\$ 3,680	\$ 44,146
Accounts Receivable:		
State	276	322
Federal	12,905	13,857
Other	1,209	68
Inventories	2,480	1,940
Total Current Assets	<u>20,550</u>	<u>60,333</u>
Fixed Assets:		
Equipment	64,557	79,057
Accumulated Depreciation	30,703	43,310
Total Fixed Assets	<u>33,854</u>	<u>35,747</u>
Total Assets	<u>\$ 54,404</u>	<u>\$ 96,080</u>
LIABILITIES AND FUND EQUITY:		
Current Liabilities:		
Deferred Revenue	\$ 1,169	\$ 443
Compensated Absences	1,796	5,759
Accounts Payable	821	36,579
Total Liabilities	<u>3,786</u>	<u>42,781</u>
Fund Equity:		
Reserve for Equipment Purchases		13,252
Investment in Fixed Assets	33,854	35,747
Net Assets	16,764	4,300
	<u>50,618</u>	<u>53,299</u>
Total Liabilities and Fund Equity	<u>\$ 54,404</u>	<u>\$ 96,080</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES:		
Local Sources:		
Daily Sales - Reimbursable Programs:		
School Lunch Program	\$ 36,152	\$ 30,345
School Breakfast Program	2,081	2,938
Total Daily Sales - Reimbursable Programs	38,233	33,283
Daily Sales Non-Reimbursable Programs	20,492	15,502
Special Functions	241	366
Total Operating Revenue	58,966	49,151
OPERATING EXPENSES:		
Salaries	68,305	59,656
Employee Benefits	48,630	52,547
Supplies and Materials	2,445	1,524
Depreciation	1,893	793
Cost of Sales	75,370	40,992
Consulting Fee	10,950	11,950
Repairs and Other Expenses	6,461	5,370
Total Operating Expenses	214,054	172,832
Operating Loss	(155,088)	(123,681)
Non-Operating Revenues:		
State Sources:		
School Breakfast Program		
School Lunch Program	1,730	1,459
Other		68
Federal Sources:		
School Breakfast Program	16,241	14,768
National School Lunch Program	61,109	53,161
Food Distribution Program	8,327	8,349
Total Non-Operating Revenues	87,407	77,805
Net Income before Operating Transfers and Adjustments	(67,681)	(45,876)
Operating Transfer In - General Fund	65,000	
Net Income	(2,681)	(45,876)
Net Assets - July 1	53,299	99,175
Net Assets - June 30	\$ 50,618	\$ 53,299

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ (155,088)	\$ (123,681)
Adjustments to Reconcile Operating Income (Loss)		
to Cash Used by Operating Activities:		
Depreciation	1,893	793
Food Distribution Program	8,327	8,349
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(143)	(7,820)
(Increase) Decrease in Inventory	(540)	(199)
(Increase) Decrease in Other		
Increase (Decrease) in Interfund Receivable		
Increase (Decrease) in Deferred Revenue	726	(384)
Increase (Decrease) in Compensated Absences	(3,963)	5,759
Increase (Decrease) in Accounts Payable	(35,758)	32,302
Net Cash Used by Operating Activities	<u>(184,546)</u>	<u>(84,881)</u>
Cash Flows from Non-capital Financing Activities:		
Cash Received from State and Federal Reimbursements	79,080	69,456
Cash Received from General Fund Operating		
Operating Transfer In	65,000	
Net Cash Provided by Non-capital Financing Activities	<u>144,080</u>	<u>69,456</u>
Cash Flows from Capital and Related Financing Activities		
Fixed Assets (Purchased) Sold		(32,970)
Net Cash Provided by Capital and Related Financing Activities		<u>(32,970)</u>
Cash Flows from Investing Activities		
Interest on Investments		
Net Cash Provided by Investing Activities		
Net Increase in Cash	(40,466)	(48,395)
Cash and Cash Equivalents, July 1	44,146	92,541
Cash and Cash Equivalents, June 1	\$ <u>3,680</u>	\$ <u>44,146</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
INTERNAL SERVICE FUND

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2012

	<u>2012</u>
OPERATING REVENUES:	
Superintendent Services	
LEAs Within the State	\$ 119,822
	<u>119,822</u>
Total Operating Revenue	
OPERATING EXPENSES:	
Salaries	108,800
Employee Benefits	11,022
	<u>119,822</u>
Total Operating Expenses	
Net Income (Loss)	
Net Assets - July 1	<u>0</u>
Net Assets - June 30	<u>\$ 0</u>

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
TRUST AND AGENCY FUND
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2011)

	<u>Expendable Trust Unemployment</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total 2012</u>	<u>Total 2011</u>
ASSETS:					
Cash and Cash Equivalents	\$ 233,609	\$ 82,179	\$ 23,058	\$ 338,846	\$ 362,838
Accounts Receivable					
Total Assets	\$ 233,609	\$ 82,179	\$ 23,058	\$ 338,846	\$ 362,838
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Payroll Deductions Payable	\$	\$	\$ 23,058	\$ 23,058	\$ 34,628
Due to Student Groups		82,179		82,179	99,393
Total Liabilities		82,179	23,058	105,237	134,021
Fund Balances:					
Reserved for Unemployment Claims	233,609			233,609	228,817
Total Liabilities and Fund Balances	\$ 233,609	\$ 82,179	\$ 23,058	\$ 338,846	\$ 362,838

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE
EXPENDABLE TRUST FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES:		
Local Sources:		
Contribution	\$	\$
Interest on Investments and Deductions		
Unemployment Deductions	10,002	8,556
	<u>10,002</u>	<u>8,556</u>
OPERATING EXPENSES:		
Unemployment Compensation Expenses	5,210	33,394
	<u>5,210</u>	<u>33,394</u>
Total Operating Expenses	5,210	33,394
	<u>5,210</u>	<u>33,394</u>
Operating Income (Loss)	4,792	(24,838)
	<u>4,792</u>	<u>(24,838)</u>
Net Income (Loss)	4,792	(24,838)
	<u>4,792</u>	<u>(24,838)</u>
Fund Balances, July 1	228,817	253,655
	<u>228,817</u>	<u>253,655</u>
Fund Balances, June 30	\$ 233,609	\$ 228,817
	<u><u>233,609</u></u>	<u><u>228,817</u></u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1,</u> <u>2011</u>		<u>Cash</u> <u>Receipts</u>		<u>Accounts</u> <u>Receivable</u>		<u>Cash</u> <u>Disbursements</u>		<u>Interfund</u> <u>Payable</u>		<u>Balance</u> <u>June 30,</u> <u>2012</u>
ELEMENTARY SCHOOLS	\$ 99,393	\$	25,151	\$		\$	42,365	\$		\$	82,179

Analysis of June 30, 2012 Balance:

Band	\$ 610
Student Council	924
Yearbook	2,925
Grade 8 Trip	117
Miscellaneous	2,684
Principal	5,382
Ecology	107
Sports Club	1,044
AED Fund	1,599
National Junior Honors Society	157
Art	2,424
Photo Club	318
Drama Club	725
Bridges	18
MRTES Supplies/Texts	63,145
	<u>\$ 82,179</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>June 30,</u> <u>2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2012</u>
ASSETS:				
Cash and Cash Equivalents	\$ 34,628	\$ 4,129,849	\$ 4,141,419	\$ 23,058
Total Assets	<u>\$ 34,628</u>	<u>\$ 4,129,849</u>	<u>\$ 4,141,419</u>	<u>\$ 23,058</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 34,628	\$ 4,129,849	\$ 4,141,419	\$ 23,058
Total Liabilities	<u>\$ 34,628</u>	<u>\$ 4,129,849</u>	<u>\$ 4,141,419</u>	<u>\$ 23,058</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

EXHIBIT I-1

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
GENERAL LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance	Issued	Redeemed	Balance
			Date	Amount		July 1, 2011			June 30, 2012
Refunding Bonds	January 1, 2007	\$ 1,950,000	1/1/13	\$ 120,000	Various	\$ 1,525,000	\$	\$ 115,000	\$ 1,410,000
			1/1/14	125,000					
			1/1/15	140,000					
			1/1/16	150,000					
			1/1/17	145,000					
			1/1/18	150,000					
			1/1/19	150,000					
			1/1/20	145,000					
			1/1/21	145,000					
			1/1/22	140,000					
						\$ 1,525,000	\$	\$ 115,000	\$ 1,410,000

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 91,844	\$	\$ 91,844	\$ 91,844	\$
Total Revenues - Local Sources	91,844		91,844	91,844	
State Sources:					
Debt Service Aid Type II	87,169		87,169	87,169	
Total Revenues - State Sources	87,169		87,169	87,169	
Total Revenues	179,013		179,013	179,013	
EXPENDITURES					
Regular Debt Service:					
Interest	64,013		64,013	64,013	
Redemption of Principal	115,000		115,000	115,000	
Total Regular Debt Service	179,013		179,013	179,013	
Total Expenditures	179,013		179,013	179,013	
Excess (Deficiency) of Revenues Over (Under) Expenditures	-		-	-	
Fund Balances, July 1	3		3	3	
Fund Balances, June 30	\$ 3	\$	\$ 3	\$ 3	\$

STATISTICAL SECTION

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities									
Invested in Capital Assets, Net of Related Debt \$	1,396,733	\$ 1,576,756	\$ 1,479,229	\$ 1,599,003	\$ 1,558,829	\$ 1,621,144	\$ 1,715,883	\$ 1,959,264	\$ 1,867,798
Restricted	731,461	881,244	1,291,433	831,590	1,082,525	1,468,080	1,324,339	1,307,033	1,376,839
Unrestricted	47,706	22,632	(238,391)	186,131	136,764	(32,836)	158,387	(76,497)	19,394
Total Governmental Activities Net Assets	\$ 2,175,900	\$ 2,480,632	\$ 2,532,271	\$ 2,616,724	\$ 2,778,118	\$ 3,056,388	\$ 3,198,609	\$ 3,189,800	\$ 3,264,031
Business-Type Activities									
Invested in Capital Assets, Net of Related Debt \$	17,118	\$ 13,992	\$ 13,151	\$ 10,458	\$ 5,505	\$ 3,938	\$ 3,570	\$ 35,747	\$ 33,854
Restricted	-	-	-	-	-	-	46,222	13,252	-
Unrestricted	68,674	83,287	87,060	76,426	67,810	70,093	49,383	4,300	16,764
Total Business-Type Activities Net Assets	\$ 85,792	\$ 97,279	\$ 100,211	\$ 86,884	\$ 73,315	\$ 74,031	\$ 99,175	\$ 53,299	\$ 50,618
District-Wide									
Invested in Capital Assets, Net of Related Debt \$	1,413,851	\$ 1,590,748	\$ 1,492,380	\$ 1,609,461	\$ 1,564,334	\$ 1,625,082	\$ 1,719,453	\$ 1,995,011	\$ 1,901,652
Restricted	731,461	881,244	1,023,415	831,590	1,082,525	1,468,080	1,370,561	1,320,285	1,376,839
Unrestricted	116,380	105,919	116,687	262,557	204,574	37,257	207,770	(72,197)	36,158
Total District-Wide Net Assets	\$ 2,261,692	\$ 2,577,911	\$ 2,632,482	\$ 2,703,608	\$ 2,851,433	\$ 3,130,419	\$ 3,297,784	\$ 3,243,099	\$ 3,314,649

Source: CAFR Schedule A-1

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

Fiscal Year Ending June 30,

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses									
Governmental Activities									
Instruction									
Regular	\$ 1,901,216	\$ 1,791,018	\$ 1,286,716	\$ 1,786,160	\$ 1,979,230	\$ 2,088,195	\$ 2,037,109	\$ 2,188,970	\$ 1,739,030
Special Education	260,288	384,768	776,840	436,754	325,840	312,532	286,083	223,979	357,011
Other Special Instruction	28,707	17,329	45,096	48,056	30,915	20,014	109,136	18,652	50,410
Support Services									
Tuition	1,382,644	1,409,675	1,642,713	1,730,876	1,364,450	1,455,397	1,668,910	2,055,731	2,320,553
Student and Instruction Related Services	485,022	578,015	631,946	589,637	557,389	528,766	508,509	460,082	516,084
General Administrative Services	240,884	192,203	207,828	195,913	211,137	183,034	179,515	121,826	123,993
School Administrative Services	77,838	36,627	74,488	72,577	66,475	63,110	64,211	112,955	116,005
Central Services			171,447	168,566	177,485	177,822	200,288	195,722	210,545
Plant Operations and Maintenance	421,893	506,813	455,179	419,362	560,942	485,532	410,904	462,502	465,310
Security									20,500
Pupil Transportation	512,503	406,285	346,855	372,291	453,603	459,348	404,256	446,627	476,343
Employee Benefits	1,247,091	1,433,535	1,493,065	1,765,118	1,955,649	1,493,705	1,756,327	1,163,964	1,213,044
Business and Other Support Services	193,756	25,532							
Amortization of Debt Issue Costs	2,000	2,000	2,000	2,000	12,400	4,400	4,400	4,400	4,400
Interest on Long-Term Debt	146,775	203,617	121,072	122,051	65,429	83,821	75,261	66,213	61,713
Unallocated Depreciation and Amortization	191,795	196,343	184,989	216,094	203,295	195,329	190,504	212,801	224,697
Loss on Disposition of Capital Assets		38,891							
Total Governmental Activities Expenses	7,092,412	7,222,651	7,440,234	7,925,455	7,964,239	7,551,005	7,895,413	7,734,424	7,899,638
Business-Type Activities									
Food Service	142,301	150,573	161,701	166,827	173,817	172,588	171,314	172,832	214,054
Total Business-Type Activities Expense	142,301	150,573	161,701	166,827	173,817	172,588	171,314	172,832	214,054
Total District Expenses	\$ 7,234,713	\$ 7,373,224	\$ 7,601,935	\$ 8,092,282	\$ 8,138,056	\$ 7,723,593	\$ 8,066,727	\$ 7,907,256	\$ 8,113,692
Program Revenues									
Governmental Activities									
Operating Grants and Contributions	\$ 629,481	\$ 683,432	\$ 670,642	\$ 1,277,900	\$ 1,296,936	\$ 718,326	\$ 823,201	\$ 756,947	\$ 762,855
Total Governmental Activities Program Revenues	629,481	683,432	670,642	1,277,900	1,296,936	718,326	823,201	756,947	762,855
Business-Type Activities									
Charges for Services									
Food Service	59,146	67,397	73,371	67,960	70,458	73,122	61,009	49,151	58,966
Operating Grants and Contributions	57,883	64,663	63,586	58,267	63,631	75,020	75,449	77,805	87,407
Total Business-Type Activities Program Revenues	117,029	132,060	136,957	126,227	134,089	148,142	136,458	126,956	146,373
Total District Program Revenues	\$ 746,510	\$ 815,492	\$ 807,599	\$ 1,404,127	\$ 1,431,025	\$ 866,468	\$ 959,659	\$ 883,903	\$ 909,228
Net (Expense)/Revenue									
Governmental Activities	\$ (6,462,931)	\$ (6,539,219)	\$ (6,769,592)	\$ (6,647,555)	\$ (6,667,303)	\$ (6,832,679)	\$ (7,072,212)	\$ (6,977,477)	\$ (7,136,783)
Business-Type Activities	(25,272)	(18,513)	(24,744)	(40,600)	(39,728)	(24,446)	(34,856)	(45,876)	(67,681)
Total District-Wide Net Expense	\$ (6,488,203)	\$ (6,557,732)	\$ (6,794,336)	\$ (6,688,155)	\$ (6,707,031)	\$ (6,857,125)	\$ (7,107,068)	\$ (7,023,353)	\$ (7,204,464)
General Revenues and Other Changes in Net Assets									
Governmental Activities									
Property Taxes Levied for General Purposes, net	\$ 2,158,870	\$ 2,171,031	\$ 2,268,985	\$ 2,389,168	\$ 2,414,644	\$ 2,466,484	\$ 2,528,781	\$ 2,528,781	\$ 2,545,856
Taxes Levied for Debt Service	108,044	106,299	104,553	102,808	105,333	107,833	79,454	91,535	91,844
Unrestricted Grants and Contributions	4,199,325	4,392,857	4,435,904	3,972,315	4,136,051	4,335,341	4,308,255	4,153,583	4,545,654
Tuition Received	18,412	23,499	37,767	34,287	15,900	49,424		8,844	3,379
Transportation Charges	123,317	131,795	114,682	129,466	124,467	164,912	181,396	103,846	47,721
Investment Earnings	5,054	19,580	39,926	54,428	33,298	12,452	1,309	167	38
Miscellaneous Income	76,054	28,890	5,266	41,690	24,004	1,078	175,238	81,912	41,522
Fixed Asset Adjustment			(160,852)	32,846		(1,575)			
Transfers	(25,000)	(30,000)	(25,000)	(25,000)	(25,000)	(25,000)	(60,000)		(65,000)
Total Governmental Activities	6,664,076	6,843,951	6,821,231	6,732,008	6,828,697	7,110,949	7,214,433	6,968,668	7,211,014
Business-Type Activities									
Miscellaneous Income	(2,018)		2,676	2,273	1,159	162			
Transfer	25,000	30,000	25,000	25,000	25,000	25,000	60,000		65,000
Total Business-Type Activities	22,982	30,000	27,676	27,273	26,159	25,162	60,000		65,000
Total District-Wide	\$ 6,687,058	\$ 6,873,951	\$ 6,848,907	\$ 6,759,281	\$ 6,854,856	\$ 7,136,111	\$ 7,274,433	\$ 6,968,668	\$ 7,276,014
Change in Net Assets									
Governmental Activities	\$ 201,145	\$ 304,732	\$ 51,639	\$ 84,453	\$ 161,394	\$ 278,270	\$ 142,221	\$ (8,809)	\$ 74,231
Business-Type Activities	(2,290)	11,487	2,932	(13,327)	(13,569)	716	25,144	(45,876)	(2,681)
Total District-Wide	\$ 198,855	\$ 316,219	\$ 54,571	\$ 71,126	\$ 147,825	\$ 278,986	\$ 167,365	\$ (54,685)	\$ 71,550

Source: CAFR Schedule A-2

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund									
Reserved	\$ 911,639	\$ 1,129,094	\$ 1,023,415	\$ 831,590	\$ 1,268,288	\$ 1,687,964	\$ 1,763,771	\$ 1,455,595	\$ 1,620,036
Unreserved	22,088	(30,524)	242,360	409,117	80,974	(131,016)	(148,982)	(128,940)	(130,234)
Total General Fund	<u>\$ 933,727</u>	<u>\$ 1,098,570</u>	<u>\$ 1,265,775</u>	<u>\$ 1,240,707</u>	<u>\$ 1,349,262</u>	<u>\$ 1,556,948</u>	<u>\$ 1,614,789</u>	<u>\$ 1,326,655</u>	<u>\$ 1,489,802</u>
All Other Governmental Funds									
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved, Reported in:									
Debt Service Fund					21,581	21,582	3	3	3
Special Revenue Fund	(17,941)	(17,941)	(17,941)	(17,941)	(20,816)	(10,148)	(10,148)	(10,031)	(12,767)
Total All Other Governmental Funds	<u>\$ (17,941)</u>	<u>\$ (17,941)</u>	<u>\$ (17,941)</u>	<u>\$ (17,941)</u>	<u>\$ 765</u>	<u>\$ 11,434</u>	<u>\$ (10,145)</u>	<u>\$ (10,028)</u>	<u>\$ (12,764)</u>

Source: CAFR Schedule B-1

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax Levy	\$ 1,981,137	\$ 2,266,914	\$ 2,277,330	\$ 2,373,538	\$ 2,373,538	\$ 2,519,977	\$ 2,574,317	\$ 2,608,235	\$ 2,620,316	\$ 2,637,700
Tuition Charges - Other LEAs	9,482	18,412	23,499	37,767	34,287	5,749	36,731		8,844	3,379
Tuition Charges - From Individuals						10,151	12,693			
Transportation Charges	117,371	123,317	131,795	114,682	129,466	124,467	164,912	181,396	103,846	47,721
Interest Earnings	5,733	5,054	19,580	39,926	54,428	33,298	12,452	1,309	167	38
Miscellaneous	57,284	76,054	2,838	5,266	41,690	24,004	1,078	175,238	81,912	41,522
State Sources	4,240,997	4,562,144	4,755,676	4,796,028	4,966,374	5,197,226	4,773,957	4,158,825	4,578,975	4,904,983
Federal Sources	250,718	266,662	320,613	310,518	283,841	235,761	279,710	972,631	331,555	403,526
Total Revenues	6,662,722	7,318,557	7,531,331	7,677,725	7,883,624	8,150,633	7,855,850	8,097,634	7,725,615	8,038,869
Expenditures										
Instruction										
Regular Instruction	1,970,569	1,901,216	1,791,018	1,725,158	1,786,160	1,979,230	2,088,195	2,037,109	2,188,970	1,739,030
Special Education Instruction	260,386	260,288	384,768	338,398	436,754	325,840	312,532	286,083	223,979	357,011
Other Special Instruction	47,639	28,707	17,329	45,096	48,056	30,915	20,014	109,136	18,652	50,410
Support Services										
Tuition	1,213,849	1,382,644	1,409,675	1,642,713	1,730,876	1,364,450	1,455,397	1,668,910	2,055,731	2,320,553
Student and Instruction Related Services	403,363	485,022	578,015	631,946	589,637	557,389	528,766	508,509	460,082	516,084
General Administrative Services	236,782	240,884	192,203	207,828	195,913	211,137	183,034	179,515	121,826	123,993
School Administrative Services	75,693	77,838	36,627	74,488	72,577	66,475	63,110	64,211	112,955	116,005
Central Services				171,447	168,566	177,485	177,822	200,288	195,722	210,545
Plant Operations and Maintenance	404,676	421,893	506,813	455,179	419,362	560,942	485,532	410,904	462,502	465,310
Security										20,500
Pupil Transportation	458,398	512,503	476,310	346,855	372,291	453,603	459,348	404,256	446,627	476,343
Business and Other Support Services	199,359	193,756	224,992						1,201,991	1,220,430
Unallocated Employee Benefits	1,205,051	1,247,091	1,433,535	1,466,223	1,754,821	1,963,323	1,507,039	1,756,513	346,182	18,231
Capital Outlay	68,255	37,441	17,294	116,368	167,382	54,549	77,125	120,358		
Debt Service										
Principal	98,070	125,221	128,478	131,946	135,640	174,572	168,760	178,219	110,000	115,000
Interest and Other Charges	152,359	146,775	139,431	131,875	124,095	78,462	85,821	77,361	68,413	64,013
Total Expenditures	6,794,449	7,061,279	7,336,488	7,485,520	8,002,130	7,998,372	7,612,495	8,001,372	8,013,632	7,813,458
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,727)	257,278	194,843	192,205	(118,506)	152,261	243,355	96,262	(288,017)	225,411
Other Financing Sources (Uses)										
Capital Lease (Non-budgeted)	57,799									
Transfers	(30,000)	(25,000)	(30,000)	(25,000)	(25,000)	(25,000)	(25,000)	(60,000)		(65,000)
Total Other Financing Sources (Uses)	27,799	(25,000)	(30,000)	(25,000)	(25,000)	(25,000)	(25,000)	(60,000)		(65,000)
Net Change in Fund Balances	\$ (103,928)	\$ 232,278	\$ 164,843	\$ 167,205	\$ (143,506)	\$ 127,261	\$ 218,355	\$ 36,262	\$ (288,017)	\$ 160,411
Debt Service as a Percentage of Noncapital Expenditures	3.7%	3.9%	3.7%	3.6%	3.3%	3.2%	3.4%	3.2%	2.2%	2.3%

Source: CAFR Schedule B-2

EXHIBIT J-5

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Transportation Fees	Prior Year Tuition	ERATE	Twp. Custodial Services	Governors School of Excellence Award	Refund of Prior Year Expenditures	Rent	Misc.	Total
2012	\$ 38	\$ 3,379	\$ 47,721		\$ 2,988			\$ 26,959		\$ 11,575	\$ 92,660
2011	167	8,844	103,846					74,518		7,394	194,769
2010	1,309		181,396					171,633		3,605	357,943
2009	12,452	49,424	164,912							1,078	227,866
2008	33,298	15,900	124,467			1,112		4,858		18,034	197,669
2007	54,428	34,287	129,466					36,461	650	4,579	259,871
2006	39,926	37,767	114,682			443		3,694	150	979	197,641
2005	19,580	23,499	131,795						6,000	(3,162)	177,712
2004	5,054	18,412	123,317	37,591			25,000	10,496		2,967	222,837
2003	5,733	9,482	117,371	37,591		8,449		9,698		1,546	189,870

Source: District Records

EXHIBIT J-6

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2012	\$ 23,022,700	\$ 240,934,300	\$ 6,934,500	\$ 2,115,900	\$ 19,506,500	\$ 7,169,200	\$ 621,200	\$ 300,304,300	\$ 909,270	\$ 301,213,570	\$ 0.898	\$ 343,121,583
2011	23,509,300	241,367,100	6,331,000	1,836,000	19,256,200	7,188,300	621,200	300,109,100	996,724	301,105,824	0.877	327,354,786 *
2010	23,872,500	241,014,800	7,252,200	1,789,100	19,477,000	7,218,300	621,200	301,245,100	1,333,880	302,578,980	0.866	306,915,257
2009	6,992,700	115,440,400	3,352,400	1,813,500	8,168,600	9,743,700	393,200	145,904,500	626,560	146,531,060	1.845	320,077,239
2008	8,638,400	114,414,900	3,273,200	1,688,000	7,923,100	7,661,200	392,300	143,991,100	612,587	144,603,687	1.781	295,410,603
2007	9,220,200	112,727,000	3,302,800	1,689,200	7,867,400	7,331,800	391,500	142,529,900	640,999	143,170,899	1.750	289,689,671
2006	10,184,100	110,569,200	3,514,300	1,689,800	6,875,800	7,605,500	125,100	140,563,800	734,303	141,298,103	1.750	222,138,692
2005	10,083,700	108,735,100	4,267,100	1,678,400	6,201,300	7,601,100	125,100	138,691,800	934,997	139,626,797	1.700	216,064,496
2004	10,311,400	106,580,600	4,666,200	1,678,200	6,017,500	7,601,100	125,100	136,980,100	1,042,454	138,022,554	1.650	186,443,582
2003	10,501,500	105,937,700	4,552,400	1,700,800	5,853,900	7,600,200	125,100	136,271,600	1,169,715	137,441,315	1.650	174,572,893

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

* Estimate

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)

Year Ended June 30,	Maurice River Township Board of Education			Overlapping Rates		
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Maurice River Township	Cumberland County	Total
2012	\$ 0.867	\$ 0.031	\$ 0.898	\$ 0.385	\$ 1.083	\$ 2.366
2011	0.846	0.031	0.877	0.329	1.038	2.244
2010	0.840	0.026	0.866	0.263	0.927	2.056
2009	1.705	0.075	1.780	0.412	1.961	4.153
2008	1.707	0.074	1.781	0.342	1.945	4.068
2007	1.688	0.073	1.761	0.385	1.740	3.886
2006	1.670	0.077	1.747	0.420	1.466	3.633
2005	1.621	0.079	1.700	0.259	1.370	3.329
2004	1.571	0.079	1.650	0.245	1.196	3.091
2003	1.565	0.085	1.650	0.159	1.167	2.976

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2012		2003	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Whibco Inc.	\$ 7,674,700	2.55%	\$ 4,505,800	3.31%
US Silica Company	5,078,800	1.69%	3,411,800	2.50%
WaWa, Inc.	2,950,000	0.98%	1,500,000	1.10%
Mays Landing Sand & Gravel Co., Inc.	2,742,200	0.91%	2,253,700	1.65%
Imbesi Family Limited Partnership Agreement	1,668,300	0.55%	1,007,400	0.74%
Dom Zanghi & Sons Inc.	1,217,000	0.40%		
Atlantic Mason Supply Inc.	1,206,500	0.40%		
Taxpayer #1	1,205,300	0.40%	559,800	0.41%
Taxpayer #2	1,135,600	0.38%	525,600	0.34%
Nicole-Kirstie LLC	970,000	0.32%		
Campbell's Country Store, Inc.			500,000	0.37%
New Jersey Lots Inc.			499,000	0.37%
Taxpayer #3				
Roger Forss/Forss & King Rental Properties			508,500	0.37%
Total	\$ 25,848,400	8.58%	\$ 15,271,600	11.16%

Source: District CAFR & Municipal Tax Assessor

EXHIBIT J-9

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,		Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
			Amount	% of Levy	
2012	\$	2,637,700	\$ 2,637,700	100.00%	
2011		2,620,316	2,620,316	100.00%	
2010		2,608,235	2,608,235	100.00%	
2009		2,574,317	2,574,317	100.00%	
2008		2,519,977	2,519,977	100.00%	
2007		2,491,976	2,491,976	100.00%	
2006		2,436,743	2,436,743	100.00%	
2005		2,277,330	2,277,330	100.00%	
2004		2,266,914	2,266,914	100.00%	
2003		1,981,137	1,981,137	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note:

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Business-Type				Total District	Percentage of Personal Income ^a	Per Capita ^a
	Governmental Activities			Activities			
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2012	\$ 1,410,000	\$	\$	\$	\$ 1,410,000	0.52%	\$ 183 *
2011	1,525,000				1,525,000	0.57%	198 *
2010	1,635,000				1,635,000	0.59%	201
2009	1,740,000	73,219			1,813,219	0.68%	222
2008	1,840,000	141,979			1,981,979	0.76%	249
2007	1,884,000	206,552			2,090,552	0.85%	260
2006	1,959,000	267,191			2,226,191	0.94%	277
2005	2,034,000	324,137			2,358,137	1.06%	294
2004	2,109,000	447,640			2,556,640	1.20%	328
2003	2,184,000	650,907			2,834,907	1.39%	370

* Estimate

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 1,410,000	\$	\$ 1,410,000	0.41%	\$ 183 *
2011	1,525,000		1,525,000	0.47%	198
2010	1,635,000		1,635,000	0.51%	210
2009	1,740,000		1,740,000	0.54%	212
2008	1,840,000		1,840,000	0.62%	225
2007	1,884,000		1,884,000	0.65%	234
2006	1,959,000		1,959,000	0.88%	244
2005	2,034,000		2,034,000	0.94%	254
2004	2,109,000		2,109,000	1.13%	271
2003	2,184,000		2,184,000	1.25%	286

* Estimate

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-13.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Maurice River	\$ 329,250	100.000%	\$ 329,250
Other Debt			
County of Cumberland - Township Share	67,721,951	3.689%	2,498,110
Subtotal, Overlapping Debt			2,827,360
Maurice River Township School District Direct Debt			1,410,000
Total Direct and Overlapping Debt			\$ 4,237,360

Source: Maurice River Township Finance Officer and Cumberland County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Maurice River. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2011

	<u>Equalized Valuation Basis</u>	
	2011	\$ 339,144,649
	2010	324,687,540
	2009	302,017,181
	[A]	\$ 965,849,370
Average Equalized Valuation of Taxable Property	[A/3]	\$ 321,949,790
Debt Limit (3% of Average Equalization Value)	[B]	9,658,494 ^a
Net Bonded School Debt	[C]	1,410,000
Legal Debt Margin	[B-C]	\$ 8,248,494

	<u>Fiscal Year Ending June 30,</u>									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 4,614,069	\$ 4,880,055	\$ 5,220,935	\$ 5,770,810	\$ 6,592,456	\$ 7,618,507	\$ 8,581,313	\$ 9,034,110	\$ 9,779,214	\$ 9,658,494
Total Net Debt Applicable to Limit	2,184,000	2,109,000	2,034,000	1,959,000	1,884,000	1,799,000	1,740,000	1,635,000	1,525,000	1,410,000
Legal Debt Margin	\$ 2,430,069	\$ 2,771,055	\$ 3,186,935	\$ 3,811,810	\$ 4,708,456	\$ 5,819,507	\$ 6,841,313	\$ 7,399,110	\$ 8,254,214	\$ 8,248,494
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	47.33%	43.22%	38.96%	33.95%	28.58%	23.61%	20.28%	18.10%	15.59%	14.60%

Source: Abstract of Ratables and District Records

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>		<u>Population ^a</u>		<u>Personal Income (thousands of dollars) ^b</u>		<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2012	**	7,693	\$	271,384,752	\$	35,277	10.0%
2011	**	7,696		266,167,237		34,585	10.1%
2010		7,801		264,508,507		33,907	8.7%
2009		8,196		268,337,040		32,740	8.2%
2008		8,176		266,513,072		32,597	4.6%
2007		8,060		246,023,440		30,524	3.8%
2006		8,041		235,770,161		29,321	4.2%
2005		8,018		223,469,678		27,871	4.4%
2004		7,788		212,199,636		27,247	5.8%
2003		7,648		203,628,000		26,625	5.6%

** Estimate

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST NINE FISCAL YEARS

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction										
Regular					30.6	30.55	29.56	30.1	25.5	25.1
Special Education					8.0	6.0	5.0	5.0	4.0	7.0
Other Special Education										
Vocational										
Other Instruction					5.0	6.0	7.0	7.0	8.0	6.0
Support Services:										
Tuition										
Student & Instruction Related Services	1.0	1.0	2.0	2.2	8.1	8.15	6.55	6.4	4.3	5.3
General Administrative Services	1.1	1.1	1.2	1.2	1.3	1.3	1.5	1.3	0.8	0.8
School Administrative Services	3.0	3.0	1.1	1.1	1.3	1.3	0.88	1.0	1.3	1.3
Business Administrative Services	4.0	4.0	3.8	3.4	3.1	3.1	2.95	3.25	3.30	3.30
Plant Operations and Maintenance	6.2	6.2	6.2	6.2	6.5	6.5	5.0	5.0	5.0	4.5
Pupil Transportation	7.6	7.6	7.6	7.8	7.9	7.4	7.2	7.0	6.5	4.5
Food Service	4.0	4.0	4.0	4.0	4.0	4.0	3.5	3.5	3.5	3.5
Total	26.9	26.9	25.9	25.9	75.8	74.3	69.14	69.55	62.20	61.30

Source: District Personnel Records

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/ Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2012	393	\$ 7,795,227	\$ 19,835	-6.62%	32.1	21 : 1	393.4	365.1	5.72%	92.8%
2011	367	7,667,450	21,240	8.35%	29.5	20 : 1	372.1	340.3	-3.97%	91.5%
2010	389	7,625,434	19,603	6.35%	35.1	18 : 1	387.5	363.7	-2.64%	93.9%
2009	395	7,280,789	18,432	-5.81%	39	20 : 1	398.0	375.0	0.63%	94.2%
2008	393	7,690,789	19,569	0.75%	41	19 : 1	395.5	373.8	0.79%	94.5%
2007	390	7,575,013	19,423	10.98%	43	19 : 1	392.4	371.0	-4.48%	94.5%
2006	406	7,105,331	17,501	1.26%	39	20 : 1	410.8	386.0	0.17%	94.0%
2005	408	7,051,285	17,283	9.55%	42	20 : 1	410.1	387.4	-4.43%	94.5%
2004	428	6,751,842	15,775	4.02%	42	18 : 1	429.1	406.3	-1.74%	94.7%
2003	427	6,475,765	15,166	10.38%	44	17 : 1	436.7	414.5	-3.34%	94.9%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>District Building</u>										
<u>Elementary</u>										
Maurice River Township Elementary										
Square Feet	62,114	62,114	62,114	62,114	62,114	62,114	62,114	62,114	62,114	62,114
Capacity (students)	688	688	688	688	688	688	688	688	688	688
Enrollment	436.7	429.1	410.1	406.0	389.0	393.0	395.0	389.0	367.0	393.0
<u>Other</u>										
Administration Building/Maintenance Building										
Square Feet	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304

Number of Schools at June 30, 2012

 Elementary = 1

 Other = 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Maurice River Township Elementary School	62,114	\$ 34,533	\$ 26,430	\$ 30,364	\$ 32,244	\$ 24,731	\$ 18,772	\$ 16,734	\$ 32,302	\$ 26,898	\$ 25,756
Total School Facilities		34,533	26,430	30,364	32,244	24,731	18,772	16,734	32,302	26,898	25,756
Other Facilities	2,304										
Grand Total		<u>\$ 34,533</u>	<u>\$ 26,430</u>	<u>\$ 30,364</u>	<u>\$ 32,244</u>	<u>\$ 24,731</u>	<u>\$ 18,772</u>	<u>\$ 16,734</u>	<u>\$ 32,302</u>	<u>\$ 26,898</u>	<u>\$ 25,756</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
INSURANCE SCHEDULE

June 30, 2012

Unaudited

New Jersey School Boards Association Insurance Group

	<u>Coverage</u>	<u>Deductible</u>
Commercial Policy		
Property - Blanket Building and Contents	\$ 12,411,516	\$ 1,000
Comprehensive General Liability	6,000,000	
Boiler and Machinery	100,000,000	1,000
Comprehensive Automobile Liability	6,000,000	1,000
Comprehensive Crime Theft Coverage	100,000	1,000
Board of Education Legal Liability	3,000,000	5,000
Commercial Inland Marine	305,000	1,000
Workers Compensation:		
Each Accident	2,000,000	
Disease each employee	2,000,000	
Disease aggregate	2,000,000	
Markel Insurance Company		
Workers Compensation Supplemental	Full Salary	
Markel Insurance Company		
Compulsory Student Accident Coverage	1,000,000	
Catastrophic Student Accident Coverage	5,000,000	25,000
Catastrophic Cash Benefit	500,000	
The Ohio Casualty Insurance Company		
Treasurer's Bond	175,000	
Business Administrator	10,000	

Source: District Records.

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

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September 21, 2012

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable President and
Members of the Board of Education
Maurice River Township School District
County of Cumberland, New Jersey 08348

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Board of Education of the Maurice River Township School District basic financial statements and have issued our report thereon dated September 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Board of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Maurice River Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Maurice River Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Maurice River Township Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Maurice River Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the audit committee, management, the Maurice River Township Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA

A handwritten signature in dark ink, appearing to read 'McColavita', is written over the printed name.

Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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September 21, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH NEW JERSEY OMB CIRCULAR 04-04**

The Honorable President and
Members of the Board of Education
Maurice River Township School District
County of Cumberland, New Jersey 08348

Compliance

We have audited the Board of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the New Jersey OMB *Circular 04-04* and *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2012. The Maurice River Township Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Maurice River Township Board of Education's management. Our responsibility is to express an opinion on the Maurice River Township Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Maurice River Township Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Maurice River Township Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

Management of the Board of Education of the Maurice River Township School District's is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable and state programs. In planning and performing our audit, we considered Maurice River Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Maurice River Township School District Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies, in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, the Maurice River Township Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2011			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Balance at June 30, 2012		
						Accounts Receivable	Deferred Revenue	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund: Education Jobs Fund	84.410A	N/A	\$150,246	7/1/11	6/30/12					\$150,246	(\$150,246)			
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund:														
Food Distribution Program	10.565	N/A	9,053	7/1/11	6/30/12					9,053	(7,884)		\$1,169	
Food Distribution Program	10.565	N/A	7,965	7/1/10	6/30/11		\$443				(443)			
School Breakfast Program	10.553	N/A	16,241	7/1/11	6/30/12					13,185	(16,241)	(\$3,056)		
School Breakfast Program	10.553	N/A	14,768	7/1/10	6/30/11	(\$3,120)				3,120				
National School Lunch Program	10.555	N/A	61,109	7/1/11	6/30/12					51,260	(61,109)	(9,849)		
National School Lunch Program	10.555	N/A	53,161	7/1/10	6/30/11	(10,737)				10,737				
Total U.S. Department of Agriculture						(13,857)	443			87,355	(85,677)	(12,905)	\$1,169	
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund:														
Title I, Part A	84.010A	NCLB - 3050-12	94,133	9/1/11	8/31/12					65,935	(91,516)	(25,581)		
Title I, Part A	84.010A	NCLB - 3050-11	81,095	9/1/10	8/31/11	(46,360)	1,807			46,360	(1,807)			
Title I, Part A	84.010A	NCLB - 3050-10	84,436	9/1/09	8/31/10	(4,634)				4,634				
I.D.E.A. Part B, Basic Regular	84.027	IDEA - 3050-12	128,643	9/1/11	8/31/12					124,083	(128,643)	(4,560)		
I.D.E.A. Part B, Basic Regular	84.027	IDEA - 3050-11	129,565	9/1/10	8/31/11	(62,930)				62,930				
I.D.E.A. Part B, Pre-School	84.173	IDEA - 3050-12	3,598	9/1/11	8/31/12					3,598	(3,598)			
I.D.E.A. Part B, Pre-School	84.173	IDEA - 3050-11	3,652	9/1/10	8/31/11	(913)				913				
Title IIA	84.367A	NCLB - 3050-12	27,494	9/1/11	8/31/12					18,261	(27,494)	(9,233)		
Title IIA	84.367A	NCLB - 3050-11	30,202	9/1/10	8/31/11	(24,488)				24,488				
Title IID Technology	84.318X	NCLB - 3050-11	157	9/1/10	8/31/11	(138)				138				
Small Rural Achievement Program	84.358B	NCLB - 3050-12	12,200	9/1/11	8/31/12					10,370	(12,200)	(1,830)		
Small Rural Achievement Program	84.358B	NCLB - 3050-11	16,123	9/1/10	8/31/11	(2,687)				2,687				
Total U.S. Department of Education						(142,150)	1,807			364,397	(265,258)	(41,204)		
Total Federal Financial Assistance						(\$156,007)	\$2,250			\$601,998	(\$501,181)	(\$54,109)	\$1,169	

See accompanying notes to schedules of financial assistance

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2011			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Balance at June 30, 2012			MEMO		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education																
General Fund:																
Equalization Aid	11-495-034-5120-078	\$3,531,992	7/1/10	6/30/11	(\$333,402)				\$333,402							
Equalization Aid	12-495-034-5120-078	3,531,992	7/1/11	6/30/12					3,178,794	(\$3,531,992)	(353,198)			*	(\$353,198)	\$3,531,992
Security Aid	11-100-034-5120-084	89,425	7/1/10	6/30/11	(8,441)				8,441							
Security Aid	12-100-034-5120-084	89,425	7/1/11	6/30/12					80,482	(89,425)	(8,943)			*	(8,943)	89,425
Special Education Categorical Aid	11-495-034-5120-089	261,512	7/1/10	6/30/11	(24,685)				24,685							
Special Education Categorical Aid	12-495-034-5120-089	261,512	7/1/11	6/30/12					253,291	(261,512)	(8,221)			*	(8,221)	261,512
Transportation Aid	11-495-034-5120-014	124,912	7/1/10	6/30/11	(11,791)				11,791							
Transportation Aid	12-495-034-5120-014	280,301	7/1/11	6/30/12					252,271	(280,301)	(28,030)			*	(28,030)	280,301
School Choice	12-495-034-5120-068	149,660	7/1/11	6/30/12					135,496	(149,660)	(14,164)			*	(14,164)	149,660
Extraordinary Aid	12-100-034-5120-473	27,142	7/1/11	6/30/12						(27,142)	(27,142)			*		27,142
Non-Public Transportation Aid	12-495-034-5120-014	5,180	7/1/11	6/30/12						(5,180)	(5,180)			*		5,180
Non-Public Transportation Aid	11-495-034-5120-014	5,876	7/1/10	6/30/11	(5,876)				5,876							
NJ Schools to Watch Program	10-100-034-5063-301	5,325	7/1/09	6/30/10	(3,000)				3,000							
On Behalf TPAF Non-Contributory Ins	12-495-034-5095-006	69,831	7/1/11	6/30/12					69,831	(69,831)				*		69,831
On Behalf TPAF Postretirement Contrib	12-495-034-5095-000	140,378	7/1/11	6/30/12					140,378	(140,378)				*		140,378
Reimbursed TPAF SS Contribution	11-495-034-5095-002	168,539	7/1/10	6/30/11	(8,349)				8,349							
Reimbursed TPAF SS Contribution	12-495-034-5095-002	171,700	7/1/11	6/30/12					170,738	(171,700)	(962)			*		171,700
Total General Fund					(395,544)				4,676,825	(4,727,121)	(445,840)				(412,556)	4,727,121
Special Revenue Fund:																
Preschool Education Aid	12-495-034-5120-086	127,666	7/1/11	6/30/12					\$114,899	(127,666)	(12,767)			*	(12,767)	127,666
Preschool Education Aid	11-495-034-5120-086	100,309	7/1/10	6/30/11	(10,031)				10,031							
Total Special Revenue Fund					(10,031)				124,930	(127,666)	(12,767)				(12,767)	127,666
Debt Service Fund:																
Debt Service Aid Type II	12-495-034-5120-016	87,169	7/1/11	6/30/12					87,169	(87,169)				*		87,169
State Department of Agriculture																
Enterprise Fund:																
State School Lunch Program	12-100-010-3350-023	1,730	7/1/11	6/30/12					1,454	(1,730)	(276)			*		1,730
State School Lunch Program	11-100-010-3350-023	1,459	7/1/10	6/30/11	(322)				322							
Total Enterprise Fund					(322)				1,776	(1,730)	(276)					1,730
Total State Financial Assistance					(\$405,897)				\$4,890,700	(\$4,943,686)	(\$458,883)				(\$425,323)	\$4,943,686

See accompanying notes to schedules of financial assistance

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2012

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Maurice River School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A.18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$34,237) for the general fund and (\$14,714) for the special revenue fund. See Note 2 [the Notes to Required Supplementary Information] for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
NOTES FOR SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE

JUNE 30, 2012

(Continued)

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

	<u>Federal</u>		<u>State</u>		<u>Total</u>
General Fund	\$ 150,246	\$	4,692,884	\$	4,843,130
Special Revenue Fund	253,280		124,930		378,210
Debt Service			87,169		87,169
Food Service Fund	<u>85,677</u>		<u>1,730</u>		<u>87,407</u>
Total Awards & Financial Assistance	\$ <u>489,203</u>	\$	<u>4,906,713</u>	\$	<u>5,395,916</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Township of Maurice River School District had no loan balances outstanding at June 30, 2012.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

NOTE 7: SCHOOL-WIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: ADJUSTMENTS

There were no Grant Fund adjustments required to be shown in the "Adjustments" column on Schedule B.

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified Opinion

Internal control over financial reporting:

1) Material weakness (es) identified? _____ yes _____ X no
2) Significant deficiencies identified? _____ yes _____ X none reported

Noncompliance material to basic
financial statements noted?

_____ yes _____ X no

Federal Awards

Internal control over major programs:

1) Material weakness (es) identified? _____ yes _____ no
2) Significant deficiencies identified? _____ yes _____ no

Type of auditor's report issued on compliance for
major programs:

Unqualified

Any audit findings disclosed that are required to be
reported in accordance with section .510(a) of
Circular A-133?

_____ yes _____ X no

CFDA Number(s)

Name of Federal Program or Cluster

84.010A

Title I

84.410A

Education Jobs Fund

84.027

I.D.E.A. Part B Basic

84.173

I.D.E.A. Part B Preschool

Dollar threshold used to distinguish between Type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee?

_____ yes _____ X no

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? Yes X none reported

Type of auditor's report issued on compliance for major programs: Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 _____ yes _____ X no

Identification of major programs:

GMIS Number(s)	Name of State Program
12-495-034-5120-078	Equalization Aid
12-495-034-5120-089	Special Education Categorical Aid
12-495-034-5120-084	Security Aid
12-495-034-5120-068	School Choice Aid

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

Section II - Financial Statement Findings

Finding: None

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

FEDERAL AWARDS

Finding: NONE

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs
(continued)**

STATE AWARDS

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 *Government Auditing Standards*, U.S. OMB Circular, A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR - YEAR FINDINGS

There were no material prior year findings.